

The Indian Institute of Economics

HYDERABAD-DN.

*Report on an Enquiry into Life Insurance and Provident Fund
Problems of Low Income Groups in Hyderabad-Secunderabad
City Area*

(SHOPS AND ESTABLISHMENTS)



With an Introduction

BY

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INTRODUCTION

In January 1955, I wrote a Foreword to a Report by the Indian Institute of Economics. That was a Fact Finding Enquiry into the Working of Co-operative Agricultural Primary Credit Societies in the Taluks of Degloor, Banswada and Manvi in the Hyderabad State. In that Foreword, I referred to four salient points on which special attention was called for in connection with planning for the Co-operative Movement. That Report was highly valuable as a peep into the actual working of the Co-operative Movement in the State. I am glad to see that the Institute has completed another Enquiry. The subject is "Insurance and Provident Fund Problems of low income empolyees in Shops and Establishments in Hyderabad-Secunderabad City Area." In spite of its very lean finances, the Institute bore the entire cost of the Enquiry.

The nationalisation of life insurance was announced by the Government of India a few weeks ago, and this Report has come out at a very opportune moment: first steps are being taken by the authorities in implementing the nationalising process. This Report has brought out the sad fact that out of 4302 samples examined, as many as 1927 (48.70%) belong to the income range Rs. 1-54 (per month) which is below the minimum remuneration to labour in organised industry: "Shops and Establishments" are unorganised tertiary industries. And this is the case at a time when important commodities that enter into the working class cost of living index are shooting up in prices. Labour involving high level concentration is very rare in India particularly among low income ranges, and the Report reveals how with increasing holidays and decreasing weekly hours of work, the national income is impeded in growth, and cases of sub-marginal wages are increasing rapidly. With this background, it is rather disturbing to see how out of 4302 samples, only 407 have insured their lives, and only 344 contribute to provident funds: only 156 contribute to both. If only the 19,439 employees in Shops and Establishments in Hyderabad-Secunderabad City Area had been insured and had contributed to provident funds in the same scale as the present contributors to life insurance

and provident funds, the face value of life insurance policies among this class of workers should have worked at, pro rata, nearly Rs. 6 crores, and present provident fund credits should have been about Rs. 1.6 crores. The very small advances against insurance policies and provident fund credits reflect seriously on the laborious and complicated formalities involved in both: a radical simplification of procedure is warranted. Life insurance and provident funds deserve to be nationalised in another sense. A good number of workers do not know anything about life insurance (578), many are shy because of ununderstandable techniques (1444), and a considerable number have no saving margin (520). Progress there has been during the last several decades, but the present position is absolutely unsatisfactory literally. As pointed out in the Report, assets of life insurance organisations in the U.S.A. exceed 25% of the annual national income of 1955 while the same constitute about 8 % of the national income of India in 1954. For the benefit of low income groups specially, schemes of Government subsidised life insurance premiums and provident fund contributions have to be worked out, and penury and misery should be minimised in the lower strata of society to begin with.

In the course of a short Introduction, it is impossible to deal with all the valuable data clarified in this Report. The Indian Institute of Economics richly deserves to be congratulated on such scientific "peeps" into social problems. Prof. S. Kesava Iyengar, the Director, has taken great pains to make the Enquiry analytical as well as accurate. I commend this Report for careful study by the public as well as Government Departments interested in the augmentation of social welfare.

MEHDI NAWAZ JUNG,
PRESIDENT,
INDIAN CONFERENCE OF
SOCIAL WORK (HYDERABAD BRANCH)
(Minister for Rural Reconstruction and
Medical Public Health Services,
Hyderabad Government).

Jubilee Hills,
Hyderabad-Dn.
March 13, 1956.



*A Worker in a Scrap Iron
Godown*



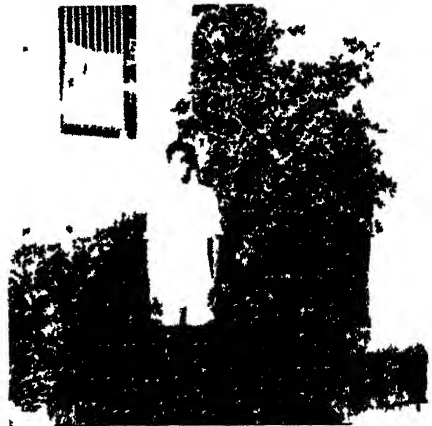
Piece Work Tailors



A Jamadar in a big Office



*The Thick of Osman Gunj
(Whole-sale Market)*



*A Beaver in a Vegetarian
Hotel*



Employees in a Motor Workshop



A Worker in a Meat Shop



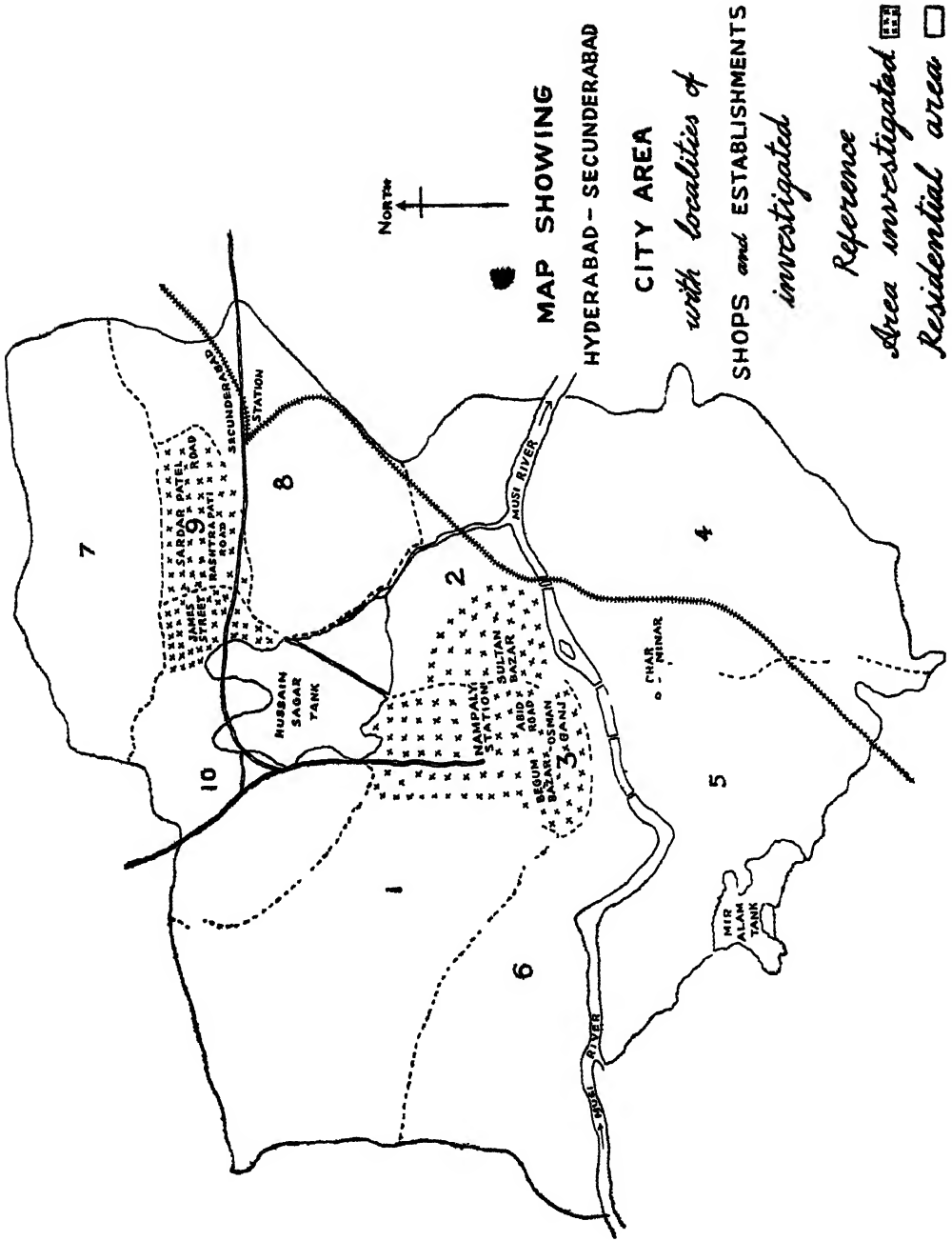
Employees in a Provision Shop



A Vegetable Vendor and his Assistant



A Scavenger Employee



AN ENQUIRY INTO LIFE INSURANCE AND PRO-
VIDENT FUND PROBLEMS OF LOW
INCOME GROUPS IN HYDERABAD-SECUNDER-
ABAD CITY AREA

(SHOPS AND ESTABLISHMENTS)^a

Main Findings

1. Out of 19,489 employees in shops and establishments in Hyderabad-Secunderabad City Area, as per records of the Labour Department, Hyderabad Government, 4302 samples were investigated, working at 22.18 per cent, 437 out of these working in commercial offices. This Enquiry is confined to income ranges up to Rs. 500 a month.

2. 1172 samples live in rent free houses mostly provided by employers. 430 own residential houses. Average monthly rent per rent paying sample works at Rs. 10.53.

3. The strength of the average household is 3.55, ranging from 2.60 inmates in Rs. 1-54 income range to 6.32 inmates in the income range Rs. 301-500. 1104 samples live single. Terms of employment are insecure and many are immigrants out of these 1104.

4. 8230 samples are either illiterate or of the primary standard.

5. 1317 are menials.

6. Hotels employ 970.

7. 1957 have been employed for more than 3 years.

8. 1927 samples are in the income range Rs. 1-54, below the minimum wage prevalent in organised industry.

9. Average monthly income is Rs. 71.13, the range of variations being from Rs. 35.57 to Rs. 339.58 among different income ranges.

10. 4224 samples have each one occupation only.

11. 1994 samples have assets while 2308 have incomes only and no assets.

12. Average assets work at Rs. 777.95 for all samples, and at Rs. 1678.42 (assets holders only).

13. 1255 are indebted : 3047 are debt free. Average liabilities work at Rs. 168.24 (for all samples) and Rs. 555.16 (indebted samples only). 38.85% of liabilities is due to friends and relatives and employers, in most cases interest free (58.80% of debtors pay no interest). 56.47% of total liabilities is long-term, mostly consumption loans, hereditary and impossible.

14. In the recent Socio-Economic Survey of Hyderabad-Secunderabad City (4899 samples representing the general community) and the present Enquiry (4302 samples of employees in "Shops and Establishments"), the relative position is shown below :

Items	Average for the general community (in income ranges of Rs. 1-500)	Average per employee in "Shops and Establishments" (in income ranges of Rs. 1-500).
	Rs.	Rs.
Monthly income ..	71.82	71.18
Assets	807.48	777.95
Liabilities ..	338.41	168.24

Collectively speaking, there is not much difference in the general economic condition of employees in shops and establishments, and of low income groups in general in the Surveyed Area (Hyderabad-Secunderabad City).

15. There was no case of the employee going to the Insurance Agent, making enquiries and filling up forms. The Insurance Agents took the initiative in all cases.

16. 407 out of 4302 are insured, and have 482 policies, all endowments. 3895 have no life insurance. Some interesting reasons for this area :

	Cases.
Ignorance of life insurance	578
No saving margin	520
Literature in unknown language	349
Fear of medical examination	119
Objections by wives	113
Religious objections	27
More reliable avenues of investment ..	12

17. The face value of 482 insurance policies (407 samples, is Rs. 12,51,163 with a cash value of Rs. 1,71,359 (262 policies have no cash value). Advances against policies are only Rs. 7,231 (4.22% of cash value and 0.57% of face value). If all the 4302 samples had been insured at the proportions obtaining in this Enquiry, the face value of policies would have been Rs. 132.24 lakhs, more than ten times the face value relating to the insured samples. Face value of policies works at Rs. 3074.11 per insured person, Rs. 664.09 per capita among insured households and Rs. 81.86 per capita for 15,283 inmates in 4302 sample households. Commercial offices (2152 inmates), and Shops and Establishments (13131 inmates) treated separately, per capita insurance works at Rs. 255.53 and Rs. 53.42 respectively.

18. Per capita insurance protection for the whole of India is slightly lower than Rs. 30, and the comparatively higher per capita in the present enquiry is due mostly to Commercial offices and insurance companies coming under "Shops and Establishments".

19. As the household increased in inmates, per capita protection declines, from Rs. 3116.67 (single member household) to Rs. 321.62 (9-12 size group).

20. Only 64 out of 407 insured samples, have insurance protection beyond the age of 40. In the age range 40-65, there are hardly any insurance proposals.

21. Monthly premiums (Rs. 5477) work at 8.46% of income, and annual premiums work at 5.25% of face value of policies.

22. With regard to the degree of protection, 62 are very good cases, 147 adequately protected, 153 insufficiently protected, 45 poorly protected, and 3895 unprotected. (10% of income as insurance premium is considered as good protection).

23. The relative position of all the samples and insured samples is as follows :

Items	4302 samples	407 insured samples.
	Rs.	Rs.
Average income	.. 71.13	159.62
Average assets	.. 777.95	2617.80
Average liabilities	.. 163.24	257.04

24. There are 89 samples with lapsed policies, face value being Rs. 1,58,650. 16 are renewable but not renewed because of inability to pay arrears of premiums.

25. There are 33 cases of lapsed policies and 163 cases with policies in force among Commercial offices.

26. Growing consumption expenditure caused 68 lapses.

27. 344 samples contribute to provident funds. Present credits amount to Rs. 2,82,218,

28. Provident funds operate only in big establishments. Eight of them have 225 contributors out of a total of 344.

29. Monthly provident fund contributions are Rs. 2647 and present credits are about eight years' accumulations.

30. 301 out of 344 samples have not borrowed against provident fund credits, main reason being laborious formalities and delays compared to borrowing from employers, friends and relatives and moneylenders. The outstanding loans are Rs. 9675 working at 24.80% of the total credits of the 43 borrowers.

31. 2684 out of 3958 non-contributors are willing to join provident fund schemes provided they are made available. 1274 are not agreeable because of deficit budgets.

32. 156 (127 in Commercial Offices) contribute both to life insurance and provident funds. The relative position of all the samples and these 156 is given below :

Item				Average for 4802 samples	Average for 156 samples having both Insurance and Provident Funds.
				(Rs.)	(Rs.)
Income	..	..	..	71.13	191.15
Assets	..	..	..	777.95	3609.79
Liabilities	..	..	..	163.24	557.18
Insurance protection	..	..	..	290.83	3750.98
Provident fund credits	..	..	..	65.60	979.79

33. Pro rata, calculations are shown below :

Item	Concerned samples	All samples (4302)	Total No. of employees in shops and establish- ments in Hyderabad- Secunderabad City Area (19439).
	Rs.	Rs.	Rs.
Face value of insurance policies ..	12.51 lakhs	132.24 lakhs	597.57
Annual premium	0.65 lakhs	6.94 lakhs	81.37
Present cash value	1.71 lakhs	18.11 lakhs	81.84
Provident fund credits ..	2.82 lakhs	35.29 lakhs	159.47
Monthly contributions by employees	2,647	32,982	1.49

The magnitude of the scope for nationalising life insurance and provident funds is indeed gigantic.

34. The need for nationalising insurance and provident funds is greater among low income employees in shops and establishments than among organised workers in industry and Government service. Even among daily or casual workers and proprietary workers, low income groups should benefit by such nationalisation. Schemes for an all pervading State Life Insurance Corporation and a State Provident Fund Corporation (with subsidised premiums and contributions for low income groups) should be worked out, and public revenues should make up net losses if any. But the probabilities are that such nationalisation will enable the Government of India to secure several hundreds of crores of rupees in course of time in the shape of earning assets, insurance premiums and provident fund contributions minus payments of claims and working expenses, out of which a good portion should become available for investment in the public sector. The achievements of the Public Branch of the Mysore Government Insurance Department are a clear indication

of prospects. Employment potential should substantially increase for helpers, doctors, lecturing and training staff and insurance office employees. If a socialistic pattern of society is to be evolved on a democratic basis, and if communism is to be precluded, the most potent instrument should be the raising of the general economic condition of low income groups through the nationalisation of insurance and provident funds alongside the abolition of sub-marginal wages, and not American Aid.

The Indian Institute of Economics

HYDERABAD-DECCAN.

Report on an Enquiry into Life Insurance and Provident Fund Problems of Low Income Groups in Hyderabad-Secunderabad City Area (Shops and Establishments)

CHAPTER I: *Preliminary.*

1. At its 19th meeting held on July 22, 1955, the Board of Control of this Institute decided that an Enquiry should be taken up regarding Life Insurance and Provident Fund Problems of Low Income Groups in Hyderabad-Secunderabad City Area. To finalise the items of Enquiry, a Committee was constituted comprising :

Introduc-
tory :

1. Shri Ahmed Mohiuddin, M.P., Vice-President of the Indian Institute of Economics.

2. Prof. Kishenchand, M.P., Retd. Professor of Mathematics, Osmania University.

3. Shri M. V. Divatia, Director, Bureau of Economics and Statistics, Hyderabad Government.

4. Shri Nawazish Hussain Razvi, Officer-in-Charge, Hyderabad State Life Insurance Dept.

5. Shri Parimal Y. Mehta, Secretary, New India Assurance Co. (Hyderabad Branch).

6. Shri A. B. H. Khoorshid, Retd. Joint Director of Agriculture, Hyderabad Government.

7. Prof. S. Kesava Iyengar, Director, the Indian Institute of Economics (Convener).

2. The Committee felt that a coverage of different categories of low income groups, even in the City Area, would be rather huge. It was therefore decided to confine the Enquiry to employees in Shops and Establishments, commercial offices falling within the per-view of the Shops and Establishments Act, as a first

Coverage :
Table I.

step. At a later stage, other categories like non-gazetted Government servants, labour in organised industry and in private service could be taken up. Accordingly, the Labour Department of the Hyderabad Government was contacted. That Department gave full co-operation : grateful thanks are due to the Officials of the Labour Department in general, to Shri G. Ramchander Rao, Inspector of Shops and Establishments in the City Area, in particular. Table I shows how the City Area is divided into ten Circles with a total strength of 19,439 employees. This number is distributed among two categories, namely, (1) Shops and Establishments, and (2) Commercial Offices. The distinguishing feature of the latter group is that no commodity or service is actually bought or sold at the premises ; for example, offices of firms like the Osman-shahi and Azamjahi Mills, Ltd., the Hyderabad Construction Co., Ltd., Insurance Offices, Film Distributors, etc. In consultation with the Labour Department, Circles I, II, III, IX and X were taken up because the remaining circles consist of small shops with one or two employees, predominantly. The object in confining the Enquiry to the five Circles mentioned above was to secure at least some samples of the upper strata among the low income groups included in the Enquiry. Table I shows that the overall percentage of samples (4302) works at 22.13 taking into consideration all the ten Circles. The percentage works at 30.87 taking into consideration circles I, II, III, IX and X only. Among these five circles, the percentage of samples varies between 11.43 and 66.78. This variation is explained by the fact that, generally speaking, one place of business was taken up as sample out of every three (Shops and Establishments, and Commercial Offices respectively), and the selected places of business happened to employ larger number of hands particularly in Circle IX, as also in hotels and commercial offices in general. Employees with the status of earning dependents were excluded from the Enquiry because otherwise figures and averages with regard to incomes, assets, liabilities, insurance policy amounts, etc. would become complicated: employees with sufficient means for independent living are included, not necessarily with the status of heads of households. Under the rules, every shop, establishment or commercial office maintains an attendance register, but actually, employees are of three varieties,

namely, regular employees with monthly salaries, daily workers employed by the day or by the week according to the quantity of work available, and piece-wage workers. The last category occurs frequently in tailoring, shoe and leather, book binding, and furniture making. Employment by the day or by the week occurs particularly in hotels. The authorities do not appear to be aware of this differentiation terms of employment. Many of the second and third categories are not entered in the attendance registers. In this enquiry, average monthly income is recorded irrespective of the terms of employment. The income ranges selected for examination are :

Rs. 1-54, Rs. 55-100, Rs. 101-150, Rs. 151-200,
Rs. 201-250, Rs. 251-300, Rs. 301-500.

TABLE I.

Employees in Shops and Establishments, and Commercial Offices in Hyderabad-Secunderabad City Area as per records of the Labour Department, and Employees selected as samples.

Srl. No.	Name of the Circle	No. of employees as per Govt. Records	No. of employees examined as samples	Percentage of Col. 4 to Col. 3
1	2	3	4	5
1.	..	3,301	939	28.44
2.	..	2,082	238	11.43
3.	..	2,849	1,000	35.10
4.	..	1,233	..	..
5.	..	1,488	..	..
6.	..	1,261	..	..
7.	..	745	..	..
8.	..	743	..	..
9.	..	2,090	1,396	66.78
10.	..	3,642	729	20.02
Total ..		19,439	4,302	22.18 (including all the 10 Circles. 80.87 (Circles 1, 2, 3, 9 & 10 only).

Field Work :
Tables
I and II.

3. A Data Memo was printed (Annexure I). Two Investigators, namely Srimathi A. Thomas, M.A. and Shri P. S. Rangachar, M.A., LL.B. started the field work about the third week of August 1955. Shri Advi Rao Kulkarni, B.A. succeeded Shri P. S. Rangachar in November 1955. The field work was concluded in the first week of January 1956. On the average, 20 samples were covered per working day by each Investigator. Circles I, II, III, IX and X consisted respectively of Abid Road, Sultan Bazaar, Moazam Jahi Market area, Rashtrapati Road and Mahatma Gardhi Road (Secunderabad). Commercial offices predominate in Abid Road (261 employees out of 437). Shri N. Durgiah, Commissioner, Hyderabad Municipal Corporation, and Shri Dharam Raj Mathur, Commissioner, Secunderabad Municipal Corporation, co-operated in the Enquiry in several ways. Considerable difficulty was experienced in big establishments. The Investigators were asked to postpone the Enquiry to some later date or dates in some cases. Branches of Offices with Headquarters outside Hyderabad State, had to secure permission from their respective head offices before responding to the Enquiry. In a few cases, the employees were under an obligation not to divulge their emoluments, but the respective Managers were good enough to waive this condition for purposes of this Enquiry. On the whole, the level of understanding among the samples was appreciable, and this was a reason for the Investigators' ability to examine about 20 samples per working day. Another factor that economised time was the ready availability of the employees during working hours in their respective places of work: there was no need to go to their houses spread over wide areas. In a few cases, collection of data had to be abandoned on account of persistent refusal by the respective employers. Shri Fiaz Husain, B.A., ex-Deputy Director, Socio-Economic Survey of Hyderabad-Secunderabad City Area gave valuable honorary assistance in desk work and reporting. Srimathi Om Devi Mahendra, B.A., Librarian of the Institute as also Shri O. P. Premanandan, B.A., Stenographer, were of considerable help. The Enquiry was organised and supervised by the Director of the Institute.

[Statement.]

TABLE II.

Number of Employees Examined in Commercial offices and in Shops and Establishments in each circle, in different income ranges.

Srl. Income No. ranges	HYDERABAD								SECUNDERABAD								GRAND TOTAL				Percent- tage to total number of samples
	CIRCLE I		CIRCLE II		CIRCLE III			CIRCLE IX		CIRCLE X			CO	S	E	T					
	CO	S & E	T	CO	S & E	T		CO	S & E	T	CO						S & E	T			
Ra.	CO	S & E	T	CO	S & E	T	CO	S & E	T	CO	S & E	T	CO	S & E	T	CO	S	E	T		
1	2	8	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
1. 1-54	..	19	408	427	4	138	142	..	429	429	20	605	625	2	802	304	45	1882	1927	48.70	
2. 55-100	..	101	207	308	..	54	54	6	454	460	29	506	535	9	834	343	145	1555	1700	40.23	
3. 101-150	..	45	34	79	..	28	28	71	71	71	39	98	137	2	40	42	86	271	357	7.01	
4. 151-200	..	38	19	47	..	14	14	..	18	18	17	18	35	3	17	20	58	86	144	2.22	
5. 201-250	..	22	6	28	..	..	..	4	9	13	0	14	20	1	9	10	33	88	71	0.98
6. 251-300	..	12	2	14	..	..	..	..	5	5	12	5	17	..	1	1	24	13	37	0.34
7. 301-500	..	24	2	26	..	..	..	..	4	4	20	7	27	2	7	9	46	20	66	0.52
Total	..	261	678	939	4	234	238	10	990	1,000	143	1253	1396	19	710	729	437	8865	4302	100.00	

Note.—CO—Commercial offices, S & E—Shops and Establishments, T—Total.

Hyderabad { Circle I—Abids.
Circle II—Sultan Bazar.
Circle III—Moazzam Jahi Market area.

Secunderabad { Circle IX—Rashttrapati Road.
Circle X—Mahatma Gandhi Road.

CHAPTER II

Employees : General Socio—Economic Background.

Houses
owned,
rented and
rent free :

Table III.

4. 430 samples own residential houses, 2700 pay house rents, and in 1172 cases no rent is paid. The large number under the third category is accounted for primarily by the employers providing living accommodation (as in the case of hotels and marwari shops) and employees living with friends or relatives. The rent free houses are largest in number in the income range Rs. 1-54, and the number decreases as the income range rises, except in Rs. 301-500 range (8 out of 66) which is explained by the provision of residential quarters on the spot by big establishments for managers etc. Owned houses (mostly huts) are largest in income range Rs. 1-100. But the percentage of rent free houses to the total number of houses does not show any particular trend as among different income ranges.

TABLE III.

Houses—Owned, Rented and Rent Free—Income range.

Srl. No.	Income ranges Rs.	OWNED HOUSES		RENTED HOUSES		RENT FREE HOUSES		Total
		Number	Percentage	Number	Percentage	Number	Percentage	
1	2	3	4	5	6	7	8	9
1.	1- 54	178	8.98	1,055	54.74	699	36.28	1,927
2.	55-100	179	10.52	1,148	67.24	378	22.24	1,700
3.	101-150	43	12.05	252	70.59	62	17.36	357
4.	151-200	17	11.80	112	77.78	15	10.42	144
5.	201-250	9	12.67	57	80.29	5	7.04	71
6.	251-300	1	2.72	31	83.78	5	13.50	37
7.	301-500	8	12.12	50	75.76	8	12.12	66
Total		430	9.99	2,700	62.76	1172	27.25	4302

House
rents and
income
ranges.
Table IV.

5. The over-all average rent works at Rs. 10.53 per sample. The range of variation in house rent is from Rs. 6.00 to Rs. 39.12 per month as among different income ranges : the average rent rises directly with

the income range. The over-all percentage of house rent to income is 9.22 while the range of variation is between 7.53% in the income ranges Rs. 301-500, and 11.75% in the income range Rs. 151-200. There is one individual case of an employee paying Rs. 96 a month. 1011 samples pay rents ranging between Rs. 6 and Rs. 10 a month. In the recent City Survey, the over-all rent per sample worked at Rs. 10.34, (Rs. 10.53 in the present Enquiry), the range of variation having been Rs. 2.6 and Rs. 26.7, taking into account only the corresponding income ranges. The close proximity between the two averages is particularly striking. The difference between the upper variations of Rs. 26.7 and Rs. 39.12, as also at the bottom (Rs. 2.6 and Rs. 6.00), indicates that the general housing conditions among employees in shops and establishments are positively superior to the over-all average for the whole City Area including several other categories of earners, in the income ranges Rs. 1-500. This phenomenon may be explained by the fact that casual or daily workers and small proprietary workers (including hawkers, etc.) are excluded from the present Survey.

[Statement.

TABLE IV.

Rent Ranges and Income Ranges of Households

Income Range Rs.	Rs. 1-5		Rs. 6-10		Rs. 11-15		Rs. 16-20		Rs. 21-30		Rs. 31-40		Rs. 41-50		Rs. 51-75		Rs. 76-100		Rs. 100		Total		Percent- tage to Income	
	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A		
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
1-54	582	2,114	452	3,192	58	778	12	229	1	22	..	..	..	..	..	..	..	..	..	..	1,055	6,335	9.24
5-100	..	361	1,321	506	3,781	169	2,243	67	1,292	31	804	6	223	3	136	..	..	..	..	..	1,143	9,800	8.54
1-150	..	20	82	40	360	69	1,084	55	1,082	50	1,806	14	496	4	182	..	..	..	..	..	252	4,542	10.04
1-200	..	3	12	..	50	20	284	17	331	32	866	21	778	9	422	3	206	..	..	..	112	2,949	11.75
1-250	..	1	3	3	24	4	57	10	187	16	426	18	469	6	206	4	244	..	..	..	57	1,076	10.36
-300	..	..	..	1	9	1	15	..	..	10	271	8	297	8	367	2	129	1	96	..	31	1,184	11.54
-500	..	..	..	2	20	2	27	2	40	11	306	6	189	10	431	17	943	..	..	..	50	1,936	7.53
total	..	917	3,532	1,011	7,486	323	4,438	163	3,161	131	4,001	68	2,452	40	1,804	26	1,522	1	96	2,700	28,442	9.22

N.—Number of Households.

A. Amount of Rent

Average House Rent

Income Range Rs.

1-54
55-100
101-150
151-200
201-250
301-500
General average on the whole—

Average House Rent Rs.

6.00
8.57
18.02
26.33
29.40
39.19
10.53

6. Households of 4302 samples have 15,283 inmates, working at an average strength of 3.55. The distribution of sample households among different size groups is shown below :

Size group	Strength of the household	Percentage to total number of households
1	1104	25.66
2	543	12.62
3	560	13.22
4	678	15.74
5- 8	1252	29.12
9-12	150	3.48
Over 12	15	0.36
Total	4302	100.00

In the recent Socio-Economic Survey of Hyderabad-Secunderabad City Area, the strength of the average household was 6.57. The smaller average in this Enquiry is explained by a much larger proportion of employees living single, in most cases coming from far of places on temporary terms. This occurs specially in the case of hotels. To some extent, the average of 3.55 in this Enquiry is viciated by the fact that not all employees are heads of the households, and more than one employee might be in the same household (in a small number of cases). It was not possible to trace out such cases because such employees were employed not only in different businesses, but in different circles as well. The fact that employees in this Enquiry consist largely of floating population is made clear by the following

figures relating to the recent City Survey and this Enquiry :

Size group		Percentage to total number of households	
		In the City Survey	In the present Enquiry
1	..	1.79	25.66
2	..	6.54	12.62
3	..	9.69	13.02
4	..	12.79	16.74
5- 8	..	46.99	29.12
9-12	..	16.43	3.48
Over 12	..	5.77	0.36

These figures reveal a lack of stability in the life of the present samples on account of many of them being immigrants and not leading family lives. What is more, it must be remembered that in the City Survey, all income ranges were included while in this Enquiry, income ranges above Rs. 500 a month are excluded. The percentages of inmates in different size groups to the total number of inmates works in this Enquiry at :

Size group	No. of inmates	Percentage to Total No. of inmates	
1	.. 1104	6582	7.22
2	.. 1086		7.11
3	.. 1618		10.99
4	.. 2712		17.75
5- 8	.. 7005		45.84
9-12	.. 1482		9.69
Over 12	.. 214		1.41
Total	.. 15283	..	100.00

The size group 5-8 includes the largest number of persons, followed by the size group 4. The size groups exceeding 12 has the smallest number of inmates. This is inevitable because the samples are all low paid employees and cannot afford to maintain distant relatives, residential domestic servants, and livery men, etc.

TABLE V (A)

Size Groups of Households.

INCOME RANGE Rs. 1-54.

Srl. No.	Size group of households	No. of employees	NUMBER OF INMATES				Percentage to total	
			Males	Females	Children	Total		
1	2	3	4	5	6	7	8	
1.	1	..	758	758	..	..	758	15.08
2.	2	..	818	817	254	55	626	12.49
3.	3	..	258	278	308	198	774	15.41
4.	4	..	278	310	381	401	1,092	21.74
6.	5-8	..	308	408	498	702	1,608	31.91
5.	9-12	..	16	29	42	85	156	3.10
7.	Over 12	..	1	8	2	9	14	0.27
Total		..	1,927	2,098	1,485	1,445	5,023	100.00

TABLE V (B)

Size Groups of Households.

INCOME RANGE Rs. 55-100.

Srl. No.	Size group of households	No. of employees	NUMBER OF INMARES				Percentage to total	
			Males	Females	Children	Total		
1	2	3	4	5	6	7	8	
1.	1	..	281	281	..	..	281	4.28
2.	2	..	184	188	181	..	368	5.55
3.	3	..	281	287	282	174	693	10.45
4.	4	..	298	384	414	444	1,192	17.95
5.	5-8	..	646	847	1,064	1,595	3,506	52.88
6.	9-12	..	57	186	159	262	557	8.39
7.	Over 12	..	8	5	12	23	40	0.60
Total		..	1,700	2,087	2,110	2,498	6,637	100.00

TABLE V (C)

Size Groups of Households

INCOME RANGE Rs. 101-150.

Srl. No.	Size groups of households	No. of employees	NUMBER OF INMATES				Percentage to total	
			Males	Females	Children	Total		
1	2	3	4	5	6	7	8	
1.	1	..	42	42	..	..	42	2.34
2.	2	..	31	31	31	..	62	3.45
3.	3	..	32	32	38	26	96	5.34
4.	4	..	70	78	82	120	280	15.58
5.	5-8	..	150	207	271	519	997	55.49
6.	9-12	..	30	65	81	146	292	16.25
7.	Over 12	..	2	2	8	18	28	1.55
Total		..	357	457	511	829	1,797	100.00

TABLE V (D)

Size Groups of Households

INCOME RANGE Rs. 151-200.

Srl. No.	Size groups of households	No. of employees	NUMBER OF INMATES				Percentage to total	
			Males	Females	Children	Total		
1	2	3	4	5	6	7	8	
1.	1	..	3	3	..	..	3	0.98
2.	2	..	4	4	4	..	3	0.98
3.	3	..	20	20	21	19	60	7.35
4.	4	..	20	24	23	23	80	9.80
5.	5-8	..	68	106	116	180	402	49.20
6.	9-12	..	21	48	45	121	214	26.19
7.	Over 12	..	3	13	14	13	45	5.50
Total		..	144	223	223	366	317	100.00

TABLE V (E)

Size Groups of Households

INCOME RANGE Rs. 201-250.

Srl. No.	Size group of households	No. of employees	NUMBER OF INMATES				Percentage to total	
			Males	Females	Children	Total		
1	2	3	4	5	6	7	8	
1.	1	..	10	10	..	..	10	2.49
2.	2	..	6	6	6	..	12	3.00
3.	3	..	6	6	7	5	18	4.49
4.	4	..	8	8	9	15	32	7.99
5.	5-8	..	26	37	46	87	170	42.39
6.	9-12	..	11	21	27	55	103	25.68
7.	Over 12	..	4	11	12	33	56	13.96
Total		..	71	99	107	195	401	100.00

TABLE V (F)

Size Groups of Households

INCOME RANGE Rs. 250-300.

Srl. No.	Size groups of households	No. of employees	NUMBER OF INMATES				Percentage to total	
			Males	Females	Children	Total		
1	2	3	4	5	6	7	8	
1.	1	..	3	3	..	..	..	1.57
2.	2	..	3	3	3	..	6	3.14
3.	3	..	7	7	7	7	21	11.00
4.	4	..	1	1	1	2	4	2.09
5.	5-8	..	18	23	27	54	104	54.45
6.	9-12	..	5	14	10	29	53	27.75
7.	Over 12	..	..	..	..	..	..	..
Total		..	37	51	48	92	191	100.00

TABLE V (G)

Size Groups of Households

INCOME RANGE Rs. 801-500.

Srl. No.	Size groups of households		No. of employees	NUMBER OF INMATES				Percentage to total
				Males	Females	Children	Total	
1	2		3	4	5	6	7	8
1.	1	..	2	2		.	2	0.48
2.	2	..	2	2	2	..	4	0.96
3.	3	..	6	6	7	5	18	4.32
4.	4	.	8	8	8	16	32	7.67
5.	5-8	..	36	59	67	97	223	53.43
6.	9-12	..	10	28	33	46	107	25.66
7.	Over 12	..	2	6	6	19	31	7.43
Total ..			66	111	123	183	417	100.00

TABLE V (H)

Size Groups of Households

ALL INCOME RANGES Rs. 1-500.

Srl. No.	Size group of households		No. of employees	NUMBER OF INMATES				Percentage to total
				Males	Females	Children	Total	
1	2		3	4	5	6	7	8
1.	1	.	1,104	1,104	.	.	1,104	7.22
2.	2	..	543	550	481	55	1,086	7.11
3.	3	.	560	581	670	429	1,680	10.99
4.	4	.	678	763	923	1,026	2,712	17.75
5.	5-8	..	1,252	1,682	2,089	3,234	7,005	45.84
6.	9-12	..	150	341	397	744	1,482	9.69
7.	Over 12	..	15	40	54	120	214	1.40
Total ..			4,302	5,061	4,614	5,608	15,283	100.00

7. In the distribution of employees in age groups, there is much difference compared to the recent City Survey. The following figures are interesting:

Age groups
and Income
ranges :
Table VI

Age group		Percentage of samples in the City Survey	Percentage of samples in the present Enquiry
6-12	..	1.71	0.40
13-21	..	11.48	26.71
22-40	..	52.80	60.95
41-55	..	23.82	10.11
56-70	..	9.11	1.75
Over 70	..	1.58	0.08

These figures confirm the same point, namely, that the higher proportion of employees in the present Enquiry are immigrants and therefore predominate in the age groups 13-40. There are only five women employees. Sales women are practically non-existent in the City Area in contrast with cities like Bombay and Calcutta. At the bottom (6-12 years of age), all the 17 cases occur in the income range Rs. 1-54. Over 70 years, there are only 3 employees, no one getting more than Rs. 150/- a month. The age ranges 22-70 contains practically all upper income cases.

[Statement.]

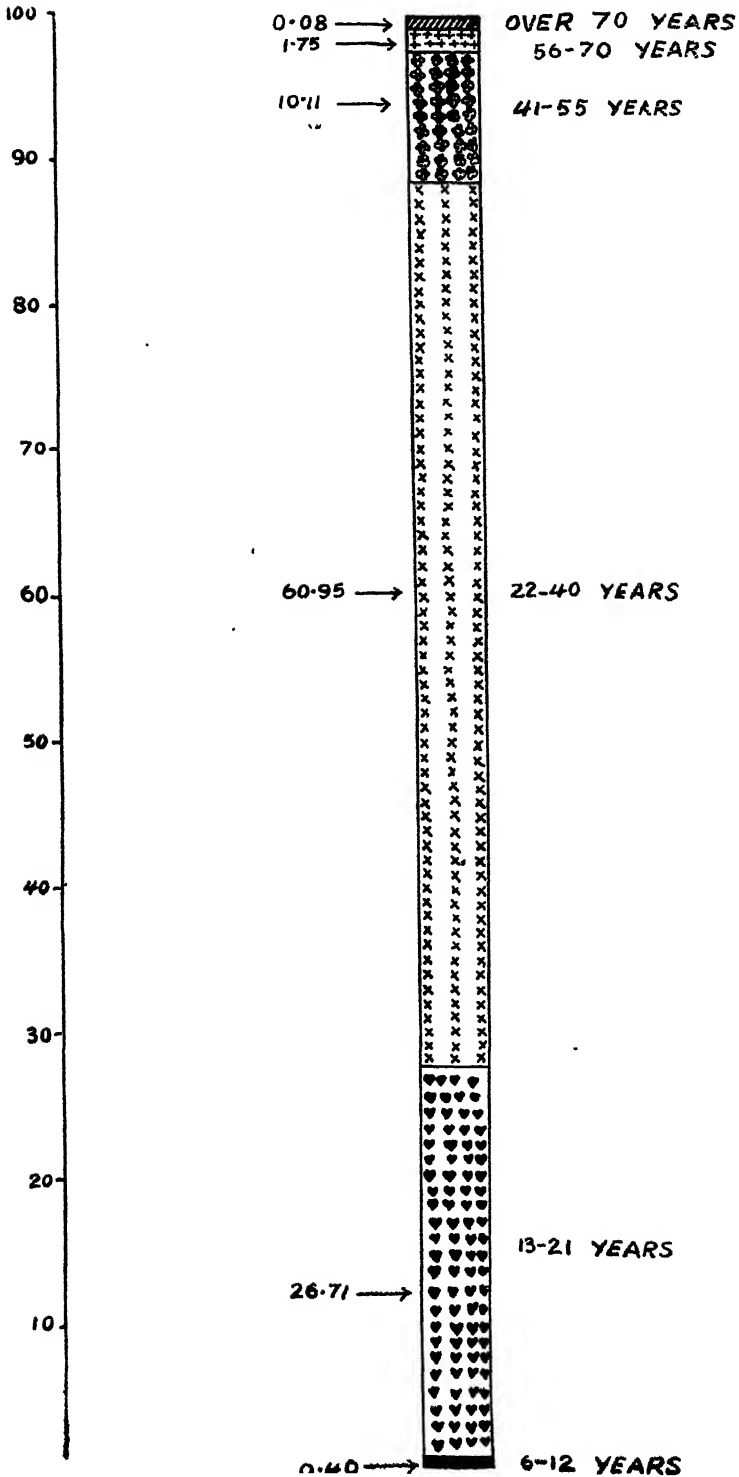
TABLE VI

Age Groups of Employees : Income Ranges

Sl. No.	Age Groups (years)	INCOME RANGES Rupees								Total	Percentage to total
		1-54	55-100	101-150	151-200	201-250	251-300	301-500			
1	2	3	4	5	6	7	8	9	10	11	
1.	6-12	..	..	..	..	..	..	..	17	0.40
2.	13-21	..	868	242	82	8	3	..	1,149	26.71	
3.	22-40	..	897	1,289	260	104	52	26	2,623	60.95	
4.	41-55	..	120	192	51	29	15	9	485	10.11	
5.	56-70	..	80	25	18	8	1	2	75	1.75	
6.	Over 70	..	..	2	1	..	..	..	3	0.08
Total		..	1,927	1,700	857	144	71	37	66	4,802	100.00

AGE GROUP PERCENTAGES

REF : PARA 7

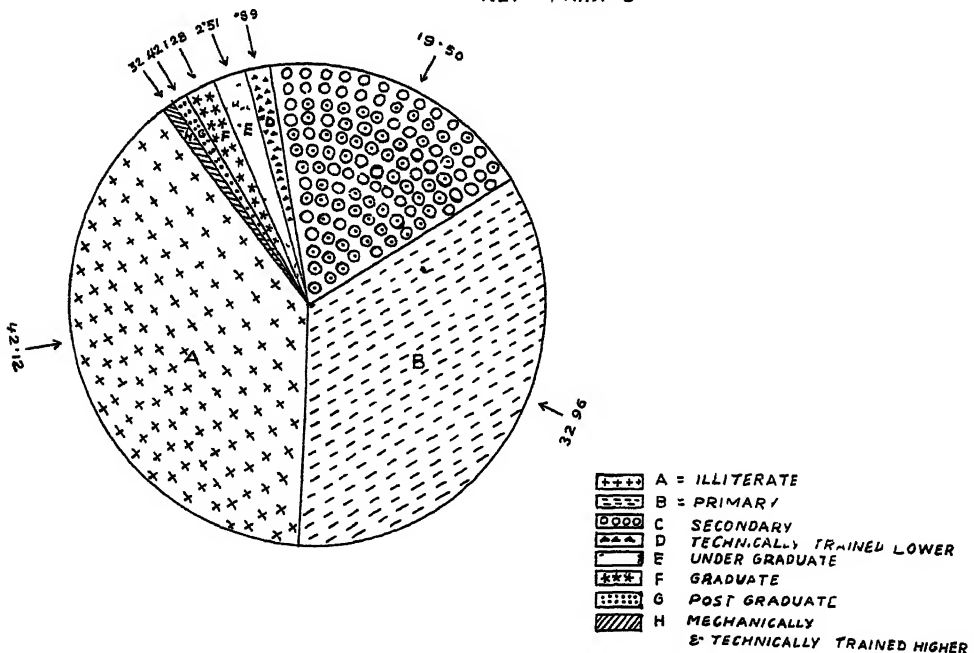


Education
and course
ranges :
Table VII.

8. Illiterates and primary educated comprise 75.08 per cent of the samples (3230 out of 4302), while graduates and post-graduates are only 73 (1.70%). The illiterates comprise peons, salesmen and unskilled workers. It is curious that in the income range Rs. 1-54, there are seven under-graduates and one graduate while one employee with post-graduate qualification is in the income range Rs. 55-100. Out of 3230 illiterates and primary educated put together, 2876 are in the income range Rs. 1-100, and only 354 earn more than Rs. 100 each. These facts show that there is no particular *de facto* minimum wage among employees in shops and establishments: there is no minimum wage fixed by Government either. In the income range Rs. 301-500 there are as many as 23 with secondary qualification out of a total of 48. Two primary qualified employees are in the same income range.

EDUCATIONAL CLASSIFICATION — PERCENTAGE.

REF PARA 8



Statement.

TABLE VII.
Education of the Employees and Income Ranges

Sr. Educational No. status	INCOME RANGES																		Total	
	Rs. 1-54		Rs. 55-100		Rs. 101-150		Rs. 151-200		Rs. 201-250		Rs. 251-300		Rs. 301-500							
	N	Per	N	Per	N	Per	N	Per	N	Per	N	Per	N	Per	N	Per				
1 2 3	4		5	6	7	8	9	10	11	12	13	14	15	16	17	18				
1. A ..	1,213	52.67	574	41.63	24	7.00	1	0.73	..	..	..	..	..	..	1,312	42.12
2. B ..	775	33.66	514	37.28	98	23.53	16	11.98	9	14.06	4	12.90	2	4.17	1,418	32.96				
3. C ..	305	13.25	231	16.75	163	47.53	75	55.93	30	46.88	12	33.71	23	47.91	839	19.50				
4. D ..	2	0.08	11	0.79	15	4.38	6	4.46	4	6.25	..	..	..	..	38	0.89
5. E ..	7	0.30	33	2.75	26	7.59	17	12.68	7	10.95	4	12.90	9	13.75	108	2.51				
6. F ..	1	0.04	10	0.73	12	3.49	8	5.97	10	15.62	5	16.13	9	13.75	55	1.23				
7. G ..	..	..	1	0.07	1	0.29	4	2.93	2	3.12	5	16.13	5	10.42	18	0.42		
8. H ..	..	..	..	..	4	1.14	7	5.22	2	3.12	1	3.23	..	..	14	0.32
Total	2,303		1,379		343		134		64		81		48		4,302					
Percentage	53.54		32.05		7.97		3.12		1.43		0.72		1.12							

Note : N—Number of employees Per.—Percentage to total in the concerned income range.	Educational status :	A—Illiterate
		B—Primary
		C—Secondary
		D—Technically trained (Lower)
		E—Under-graduates
		F—Graduates
		G—Post Graduates
		H—Mechanically and technically trained (higher)

Note: N—Number of employees
Per.—Percentage to total in the concerned income range.

Educational status:

{ A—Illiterate
 B—Primary
 C—Secondary
 D—Technically trained (Lower)
 E—Under-graduates
 F—Graduates
 G—Post Graduates
 H—Mechanically and technically trained (higher)

Occupation
and income
ranges :
Table VIII.

9. In the lowest income range, namely, Rs. 1-54, menials are numerically largest (829 out of 1927) followed by 469 salesmen and 198 mechanics and technicians. On the other hand, in the income range Rs. 201-500, clerks account for 60, followed by Managers and Assistant Managers 54, and accountants 35. Irrespective of income ranges, menials constitute the largest number (1290) from the view point of occupation, followed by salesmen 855, and clerks 679. Distribution among occupation stands thus :

Occupation			No. of employees	Percentage of samples to total number
Menials	..	..	1,817	30.60
Salesmen	..	..	855	19.85
Clerks	..	..	679	15.78
Mechanics & Technicians	..	..	455	10.57
Bearers	..	..	345	8.01
Cooks	..	..	160	3.72
Outfitters	..	..	150	3.47
Managers & Asst. Managers	.	.	145	3.37
Accountants	..	..	115	2.67
Cashiers	..	..	86	0.88
Bill Collectors	..	..	18	0.41
Others	..	..	27	0.62
Total			4,302	100.00

In income ranges above Rs. 100, clerks are more in number than in other occupations.

CHART SHOWING DISTRIBUTION OF OCCUPATION

REF : PARA 9

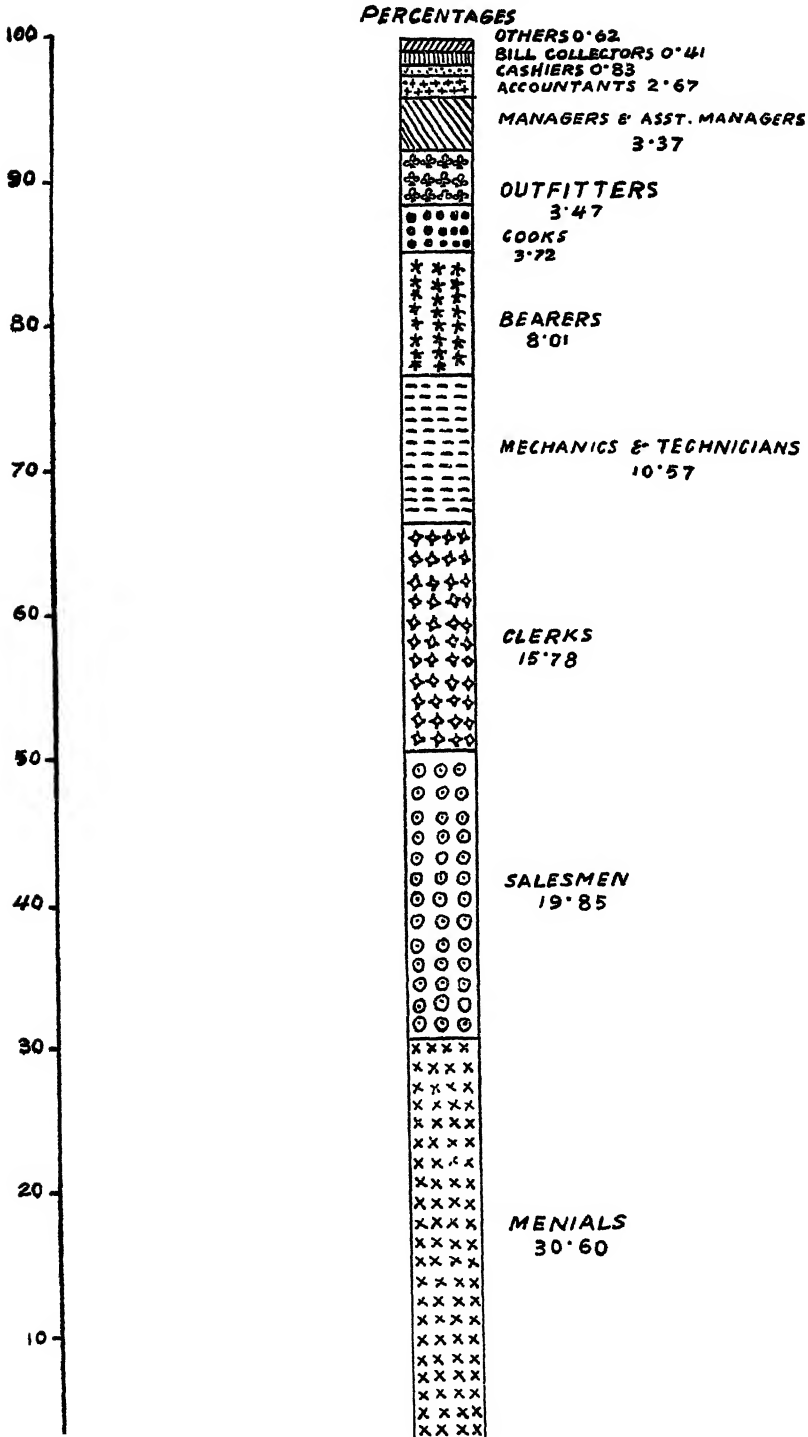


TABLE VIII

Occupations : Income Ranges

Sl. No.	Occupation	INCOME RANGE											
		Rs. 1-54		Rs. 55-100		Rs. 101-150		Rs. 151-200		Rs. 201-250		Rs. 251-300	
		N	%	N	%	N	%	N	%	N	%	N	%
1.	Clerk	143	7.42	290	17.06	134	87.54	52	36.12	20	28.17	18	49.65
2.	Menial	888	49.50	454	26.71	18	5.04	6	4.17	1	1.41	..	..
3.	Bearer	152	7.89	183	10.76	8	2.21	1	0.69	1	1.41	..	..
4.	Cashier	6	0.31	10	0.58	12	3.36	..	..	4	5.63	..	..
5.	Cook	41	2.13	92	5.42	23	6.45	3	2.08	1	1.41	..	..
6.	Salesman	469	24.84	301	17.70	52	14.59	22	15.28	6	8.45	1	2.70
7.	Mech. & Tech.	193	10.28	193	11.35	93	10.64	23	15.98	2	2.81	..	..
8.	Outfitter	60	3.11	85	5.00	4	1.12	1	0.69	..	..	..	..
9.	Bill Collector..	11	0.55	7	0.42	..	..	..	..	..	..	..	..
10.	Manager & Asst. Manager.	4	0.21	36	2.12	26	7.28	25	17.36	23	32.40	10	27.03
11.	Accountant	5	0.26	30	1.76	34	9.53	11	7.63	13	18.31	8	21.62
12.	Other	..	..	19	1.12	8	2.24	..	..	..	..	..	..
Total		1,927	..	1,700	..	357	..	144	..	71	..	37	..
	

Note : N—Number of employees. %—Percentage to total number of employees in each Income Range.

10. The samples represent a variety of industries as shown below :

Industry and
Income Ran-
ges : Table
IX

Industry	No. of employees	% to total No. of employees
Hotels	970	22.55
Automobile and other machinery.	438	10.19
Commercial Offices ..	437	10.15
General Stores	407	9.46
Hardware	300	6.97
Cloth	271	6.29
Grain shops	253	5.88
Grocery shops	231	5.37
Tailoring	156	3.62
Printing Presses	150	3.49
Fruit & Vegetable shops ..	120	2.79
Shoe and leather shops ..	92	2.15
Furniture shops	85	1.93
Medical stores	60	1.39
Books & Stationery shops ..	44	1.02
Tinkers	39	0.91
Miscellaneous	249	5.79
Total	4,302	100.00

In income ranges Rs. 1-100, hotel employees (887 out of 970) constitute a very high percentage. In income groups Rs. 101-500, commercial offices make up a majority (247 out of 437). Automobiles and other machinery employ a considerable number (438 out of 4,302), a good number comprising apprentices and probationers. Several industries are not represented in this Enquiry because no shops are maintained by them, as for example, milk and milk products, laundry, etc. Even in industries included in this Enquiry, hawking along streets supplements services through established shops, apart from proprietary street hawkers.

TABLE IX.

Industry & Income Ranges.

Sr. No.	Industry	INCOME RANGES																	
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
		1-54	%	55-100	%	101-150	%	151-200	%	201-250	%	251-300	%	301-500	%	Total	N	%	%
		N		N		N		N		N		N		N					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
1.	Cloth	140	7.26	99	5.82	20	5.60	9	6.25	3	4.22	..	..	..	..	274	6.24		
2.	Groceries	149	7.73	67	3.95	12	3.86	8	2.09	..	..	..	..	..	..	231	5.37		
3.	Hotel	476	24.77	411	24.18	56	15.67	12	8.38	8	11.27	2	5.41	5	7.57	970	22.55		
4.	General	191	9.92	172	10.12	89	10.92	2	1.38	2	2.82	1	2.71	..	..	407	9.15		
5.	Shoe & Leather	34	1.76	43	2.53	10	2.80	2	1.38	2	2.82	..	..	1	1.52	92	2.15		
6.	Book & Stationery	26	1.84	10	0.59	5	1.42	1	0.69	2	2.82	..	..	..	..	14	1.02		
7.	Tinkers	22	1.14	17	1.00	..	..	..	..	..	..	..	..	..	..	39	0.01		
8.	Tailoring	55	2.81	97	5.71	8	0.85	..	..	1	1.41	..	..	..	..	156	3.62		
9.	Hardware	149	7.73	126	7.41	14	3.90	4	2.76	4	5.63	..	..	3	4.54	300	6.97		
10.	Auto. & Machi.	173	8.97	167	9.79	55	15.41	18	12.50	11	15.43	6	16.20	8	12.12	488	10.19		

11. Medicine	41	2.12	18	0.79	3	0.85	1	0.69	1	1.41	1	2.71	..	..	60	1.89
12. Printing Press.	80	4.15	58	3.41	10	2.80	2	1.88	..	..	..	..	..	..	150	3.49
13. Furniture	39	2.02	42	2.47	2	0.56	1	0.69	1	1.41	..	..	..	..	85	1.98
14. Grain	188	6.91	90	5.29	16	4.48	8	5.52	2	2.82	2	5.41	2	3.04	253	5.88
15. Fruit & Vegt.	85	4.42	31	1.82	3	0.85	1	0.69	..	..	..	..	..	..	120	2.79
16. Miscellaneous	89	4.32	112	6.59	23	5.64	22	15.27	1	1.41	1	2.71	1	1.52	249	5.79
17. Commercial Offices	45	2.33	145	8.53	36	24.89	58	40.83	33	46.43	24	64.85	46	69.69	437	10.15
Total	1,927	100.00	1,700	100.00	357	100.00	144	100.00	71	100.00	37	100.00	66	100.00	4,302	100.00

Note: N.—Number of employees. %—Percentage to total in the concerned income range.

Income
ranges and
stability
of employ-
ment:
Table X.

11. The largest number of employees (1505) occur in the time range 1-3 years, and the number is appreciable even in longer time ranges (1957), while employees in the range of 1-30 days constitute only 178. In the highest income range Rs. 301-500, 48 out of 66 are employed for more than three years. Even in income ranges Rs. 1-100, employment range 1-3 years is conspicuous (1321 out of 3627). The situation is rather unsatisfactory in the income range Rs. 1-54: 480 out of 1927 employees are employed for six months or less. In the time range 1-30 days, 174 out of 178 occur in the income range Rs. 1-100. At the same time, it is worth noting that in the income ranges Rs. 1-100, 1514 out of 3627 are employed for four years and more.

[Statement.

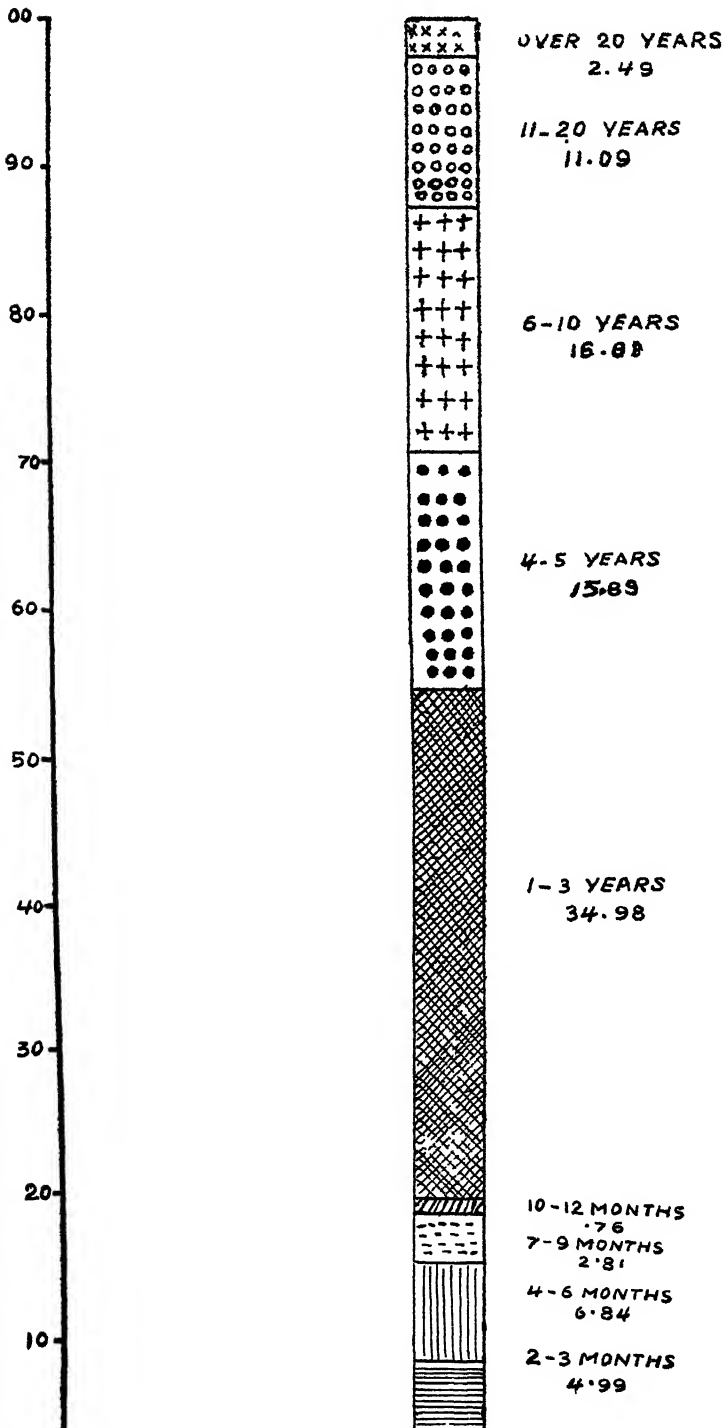
TABLE X.
Stability of Employment and Income Ranges

Sr. No.	Duration	INCOME RANGES																Rs. Total	
		Rs. 1-54		Rs. 55-100		Rs. 101-150		Rs. 151-200		Rs. 201-250		Rs. 251-300		Rs. 301-500					
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
1.	1-30 days	..	184	6.96	40	2.85	2	0.56	2	1.88	..	..	..	..	..	..	178	4.14
2.	2-3 months	..	150	7.78	51	3.00	7	1.96	4	2.78	2	2.82	..	..	..	..	214	4.99
3.	4-6 months	..	196	10.17	81	4.77	7	1.96	5	3.47	2	2.82	1	2.70	2	3.08	294	6.84	
4.	7-9 months	..	68	3.53	43	2.52	2	0.56	6	4.16	2	2.82	..	..	..	..	121	2.81
5.	10-12 months	..	14	0.78	15	0.88	4	1.12	..	..	..	..	..	..	..	..	33	0.76
6.	1-3 years	..	749	41.20	527	31.00	108	30.25	33	22.92	19	26.76	8	21.62	16	24.24	1,505	34.98	
7.	4-5 years	..	284	12.14	208	17.54	90	25.21	22	15.27	17	23.94	11	29.73	12	18.18	684	15.89	
8.	6-10 years	..	282	12.04	307	18.06	71	19.89	38	26.39	15	21.18	8	21.62	18	27.28	689	16.01	
9.	11-20 years	..	90	4.67	275	16.18	51	14.29	25	17.87	11	15.49	9	24.83	16	24.24	477	11.09	
10.	Over 20 years	..	15	0.78	68	3.70	15	4.20	9	6.26	8	4.29	..	..	2	3.08	107	2.49
Total		..	1,927	100.00	1,700	100.00	857	100.00	144	100.00	71	100.00	87	100.00	66	100.00	4,302	100.00	

Note: N.—Number of employees. %—Percentage to total number in the concerned income range.

DURATION OF EMPLOYMENT (PERCENTAGES)

REF: PARA 11.



12. By educational standards, employment is comparatively more stable in the upper grades, particularly secure in the under-graduate, graduate and post-graduate grades. But among technically trained (higher) 8 out of 14 year employed for less than one year. Employment Exchanges complain that sufficient applications of technically qualified (higher) are not forth-coming, and this paradox can be explained by the factors of apathy and indifference on the part of employees, and lack of publicity and red-tape on the part of recruiting agencies. In the range 1-30 days, there is no one with qualifications higher than the secondary stage. Even in the 2-3 months duration range, 209 out of 214 have secondary or lower qualifications. Thus, there is some direct relation between educational qualification and stability of employment.

Stability of
employment:
education
Table XI.

TABLE
Stability of Employ-

Srl. No.	Educational Statistics.	DURA									
		1-30 days		2-3 months		4-6 months		7-9 months		10-12 months	
		N	P	N	P	N	P	N	P	N	P.
1	2	3	4	5	6	7	8	9	10	11	12
1.	A	94	52.81	75	35.04	126	42.85	58	48.82	13	39.39
2.	B	58	32.58	86	40.18	34	11.37	48	39.68	6	18.18
3.	C	26	14.61	48	22.43	123	41.84	18	14.88	5	15.15
4.	D	..	..	..	..	6	2.04	..	..	1	03.3
5.	E	..	..	4	1.87	2	0.68	..	21.62	2	6.06
6.	F	..	..	1	0.48	1	0.34	..	..	..	..
7.	G	..	..	..	..	..	..	..	..	..	..
8.	H	..	..	..	.	2	0.68	..	..	6	18.18
Total		178		214		294		121		33	
Percentage		4.14		4.98		6.84		2.82		0.76	

Note :— N.—Number of employees.

P.—Percentage to total in the concerned duration range.

XI.

ment and Education.

TION

1-3 years		4-5 years		6-10 years		11-20 years		Over 20 years		Total
N	P	N	P	N	P	N	P	N	P	
18	14	15	16	17	18	19	20	21	22	23
687	45.65	255	37.28	298	43.25	185	38.78	26	24.29	1,812
591	39.27	245	35.81	208	29.61	120	25.16	27	25.33	1,418
184	12.22	158	23.09	103	23.65	82	17.19	32	29.91	839
13	0.86	3	0.47	5	0.70	3	0.63	7	6.55	38
26	1.72	16	2.33	16	2.23	28	5.88	12	11.22	108
2	0.14	4	0.58	1	0.14	45	9.43	1	0.93	55
..	..	2	0.29	2	0.28	12	2.51	2	1.87	18
2	0.14	1	0.15	1	0.14	2	0.42	..	..	14
1,505		684		689		477		107		4,302
34.99		15.89		16.01		11.08		2.49		

Educational Status : A— Illiterate.

B— Primary

C— Secondary

D— Mechanically and Technically trained (lower).

E— Under-graduate.

F— Graduate.

G— Post-graduate.

H— Mechanically and technically trained (higher).

Stability
of employ-
ment and
industry.

Table XII.

13. The automobile and machinery industry, and commercial offices reveal high security of employment. In the former case 228 out of 438 employees have been employed for four years and more. In commercial offices 264 out of 437 have been employed for four years and more. On the other hand, 329 out of 970 have been employed for less than one year in hotels. Daily workers and piece-wage workers are treated as employed in this Enquiry, although with intervals provided they continue according to the usual arrangements with their respective employers.

[*Statement.*

TABLE XII. (A)
Stability of Employment and Industry.

INCOME RANGE Rs. 1-54.

Sr. No.	Industry	DURATION												Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years			
1	2	3	4	5	6	7	8	9	10	11	12	13		
1.	Cloth	6	8	9	3	..	65	20	20	8	1	140		
2.	Groceries	5	5	12	10	..	70	24	18	4	1	149		
3.	Hotel ..	66	60	62	26	2	177	38	36	12	2	476		
4.	General	6	14	21	4	3	89	23	18	12	1	191		
5.	Shoe & Leather	1	2	1	..	..	18	5	7	5	..	34
6.	Books & Stationery	..	2	7	2	..	18	..	2	..	..	26
7.	Tinkers	..	2	1	..	1	10	3	3	2	..	22		
8.	Tailoring	2	3	7	2	..	26	5	8	2	..	55		
9.	Hardware	7	9	11	2	..	55	21	30	11	3	149		
10.	Auto & Mechn.	9	6	18	5	2	66	23	27	16	1	178		
11.	Medicine	2	2	1	4	..	17	7	5	3	..	41		
12.	Printing Presses	3	7	5	..	..	18	23	19	4	1	80
13.	Furniture	2	6	8	..	1	17	1	3	1	..	39		
14.	Grain ..	10	10	13	5	2	61	12	12	6	2	133		
15.	Fruit & Vegc.	6	8	12	1	3	26	14	11	2	2	85		
16.	Miscellaneous	6	3	6	2	..	49	10	11	2	..	89		
17.	Commercial Offices	3	3	2	2	..	22	10	2	..	1	45		
Total ..		184	150	196	68	14	794	234	232	90	15	1927		

TABLE XII. (B)
Stability of Employment and Industry.

Sr. No.	Industry	DURATION												Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years			
1	2	3	4	5	6	7	8	9	10	11	12	13		
1.	Cloth ..	1	..	3	..	..	23	19	28	19	6	98	
2.	Groceries	..	..	..	1	..	10	12	16	19	9	69	
3.	Hotel ..	17	32	29	18	3	150	68	56	34	4	411		
4.	General	4	1	5	4	..	65	39	24	22	3	171		
5.	Shoe & Leather	..	..	1	3	..	9	7	6	13	4	44	
6.	Books & Stationery	..	..	1	1	..	5	1	1	1	..	16	
7.	Tinkers	..	1	1	..	..	5	5	3	2	..	17	
8.	Tailoring	6	4	2	5	2	22	14	18	22	2	97		
9.	Hardware	2	1	..	1	1	21	20	32	40	8	124		
10.	Auto & Mechn.	4	3	9	1	4	54	27	22	37	6	167		
11.	Medicine	..	..	..	..	..	3	8	..	2	..	14	
12.	Printing Presses	3	2	4	..	..	9	10	14	11	5	..	
13.	Furniture	1	..	9	4	2	9	7	6	4	..	..
14.	Grain ..	1	1	5	2	1	35	13	21	8	3	94		
15.	Fruit & Vege.	..	..	4	..	..	16	5	4	2	..	31	
16.	Miscellaneous	1	6	6	2	1	37	22	22	12	3	113		
17.	Commercial Offices	..	..	2	1	1	53	21	34	27	5	145	
Total		40	51	81	43	15	497	298	307	275	63	1700		

TABLE XII. (C)
Stability of Employment and Industry

INCOME RANGE Rs. 101-150

Sr. No.	Industry	DURATION											Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years		
1	2	3	4	5	7	7	8	9	10	11	12	18	
1.	Cloth	..	1	..	..	..	8	1	4	5	1	20
2.	Groceries	..	..	..	..	..	4	1	4	1	2	12
3.	Hotel ..	..	2	3	1	..	18	20	9	2	1	56
4.	General	..	1	..	..	..	10	8	9	7	4	39
5.	Shoe & Leather	..	..	..	..	1	4	3	1	1	..	10
6.	Books & Stationery	..	..	..	..	..	4	..	1	..	..	5
7.	Tinkers	..	..	..	..	..	..	..	..	..	..	..
8.	Tailoring	..	..	..	..	..	2	..	1	..	..	3
9.	Hardware	..	..	..	..	1	4	3	3	7	3	14
10.	Auto & Mechn.	..	..	..	..	1	16	19	9	7	3	55
11.	Medicine	..	..	..	..	..	1	..	3	..	..	3
12.	Printing Presses	..	..	..	..	..	..	2	2	5	..	10
13.	Furniture	..	..	..	..	..	5	1	..	1	..	2
14.	Grain ..	2	..	2	..	..	..	1	3	3	..	16
15.	Fruits & Vege.	..	..	..	..	..	..	2	..	1	..	3
16.	Miscellaneous	..	..	..	..	..	2	3	3	4	1	18
17.	Commercial Offices	..	3	2	1	1	30	26	19	11	3	96	
Total		..	2	7	2	4	108	90	71	51	15	357	

TABLE XII. (D)
Stability of Employment and Industry.

INCOME RANGE Rs. 161-200.

S ⁿ No.	Industry	DURATION											Total
		1-80 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years		
1	2	8	4	5	6	7	8	9	10	11	12	13	
1	Cloth ..	..	1	..	..	.	4	1	1	1	1	9
2	Groceries	..	..	..	..	..	..	1	1	1	..	3
3	Hotel ..	..	1	..	4	..	4	..	1	2	..	12
4	General	..	..	..	..	..	..	2	..	..	..	2
5	Shoe & Leather	..	..	..	..	..	..	..	2	..	..	2
6	Books & Stationery	..	..	..	..	..	1	..	..	..	..	1
7	Tinkers	..	..	..	..	..	..	..	..	..	..	..
8	Tailoring	..	..	..	..	..	..	..	..	..	..	..
9	Hardware	..	..	..	..	..	1	..	1	1	1	4
0	Auto & Mechn.	..	..	1	..	..	5	5	3	3	1	16
1	Medicine	..	..	..	..	..	..	..	..	..	1	1
2	Printing Presses	..	..	..	..	..	..	1	1	..	..	2
3	Furniture	..	..	..	..	..	..	..	1	..	..	1
4	Grain ..	..	..	..	..	..	3	..	3	1	1	3
5	Fruit & Vege.	1	..	..	..	..	..	..	..	..	..	1
6	Miscellaneous	..	1	1	2	..	5	2	5	5	1	22	
7	Commercial Offices	1	1	2	..	..	10	10	19	11	3	58
Total		..	2	4	6	..	38	22	38	25	9	144	

TABLE XII. (E)
Stability of Employment and Industry

INCOME RANGE Rs. 201-250.

INCOME RANGE Rs. 201-250.

Sr. No.	Industry	DURATION											Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1.	Cloth ..	..	..	..	..	..	..	1	..	2	..	3
2.	Groceries	..	..	..	..	..	..	..	..	..	..	..
3.	Hotel ..	..	1	..	1	..	8	1	..	2	..	8
4.	General	..	..	..	..	..	..	..	2	..	..	2
5.	Shoe & Leather	..	..	1	..	..	..	1	1	..	..	2
6.	Books & Stationery	..	..	1	..	..	..	..	..	..	..	..
7.	Tinkers	..	..	..	..	..	..	1	..	..	..	1
8.	Tailoring	..	..	..	..	..	..	..	3	1	..	4
9.	Hardware	..	..	..	..	..	5	4	1	..	2	11
10.	Auto & Mechn.	..	..	..	..	..	..	..	1	..	..	1
11.	Medicine	..	..	..	..	..	..	..	1	..	..	1
12.	Printing Presses	..	..	..	..	..	1	1	1	..	..	2
13.	Furniture	..	..	..	..	..	..	..	..	..	..	..
14.	Grain ..	..	..	..	..	..	..	..	..	..	..	1
15.	Fruit & Vege.	..	1	..	..	..	..	..	..	..	..	..
16.	Miscellaneous	..	..	..	1	..	10	6	9	6	1	33
17.	Commercial Offices	..	..	..	..	..	..	..	..	..	..	..
Total		..	2	2	3	..	19	17	15	11	8	71	

TABLE XII. (F)
Stability of Employment and Industry.

INCOME RANGE Rs. 251-300.

Sr. No.	Industry	DURATION											Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years		
1	2	8	4	5	7	7	8	9	10	11	12	13	
1.	Cloth ..	..	..	..	..	..	..	..	..	..	..	..
2.	Groceries	..	..	..	..	..	..	..	..	..	..	..
3.	Hotel ..	..	..	1	..	..	..	1	..	..	..	2
4.	General	..	..	..	..	..	1	..	..	..	..	1
5.	Shoe & Leather	..	..	..	..	..	..	..	..	..	..	..
6.	Books & Stationery	..	..	..	..	..	..	..	..	..	..	..
7.	Tinkers	..	..	..	..	..	..	..	..	..	..	..
8.	Tailoring	..	..	..	..	..	..	..	..	..	..	..
9.	Hardware	..	..	..	..	..	..	..	..	..	..	..
10.	Auto & Mechn.	..	..	..	..	..	..	..	..	..	..	..
11.	Medicine	..	..	..	..	..	..	8	1	2	..	6
12.	Printing Presses	..	..	..	..	..	..	..	1	..	..	1
13.	Furniture	..	..	..	..	..	..	..	..	..	..	..
14.	Grain ..	..	..	..	..	..	..	..	..	..	..	..
15.	Fruit & Vege.	..	..	..	..	..	1	..	..	1	..	2
16.	Miscellaneous	..	..	..	..	..	..	1	..	..	..	1
17.	Commercial Officers	..	..	..	..	..	6	6	6	6	..	24
Total		..	..	1	..	..	8	11	6	9	..	37

TABLE XII. (G)
Stability of Employment and Industry.

INCOME RANGE Rs. 301-500

Sr. No.	Industry	DURATION											Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years		
1	2	8	4	5	6	7	8	9	10	11	12	13	
1.	Cloth ..	..	..	..	..	..	..	..	..	..	..	..
2.	Groceries	..	..	..	..	..	1	..	2	..	..	5
3.	Hotel ..	..	..	..	..	..	..	..	..	..	..	1
4.	General	..	..	..	..	..	..	..	..	..	..	..
5.	Shoe & Leather	..	..	..	..	..	..	..	..	..	..	..
6.	Books and Stationery	..	..	..	..	..	..	..	..	..	..	..
7.	Tinkers	..	..	..	..	..	2	..	..	1	..	3
8.	Tailoring	..	..	..	..	..	1	1	2	2	..	8
9.	Hardware	..	..	..	..	..	..	..	..	..	..	..
10.	Auto & Mechn.	..	..	..	..	..	..	..	..	..	..	..
11.	Medicine	..	..	..	..	..	..	..	..	..	..	..
12.	Printing Presses	..	..	..	..	..	..	1	..	1	..	2
13.	Furniture	..	..	..	..	..	..	..	..	..	..	..
14.	Grain ..	..	..	..	..	..	..	..	..	..	..	..
15.	Fruit & Vege.	..	..	..	..	..	..	..	..	1	..	1
16.	Miscellaneous	..	..	2	..	..	12	10	14	..	..	46
17.	Commercial Offices	..	..	..	..	..	..	..	..	..	..	..
Total		..	..	2	..	..	16	12	18	16	2	66

TABLE XII. (H)

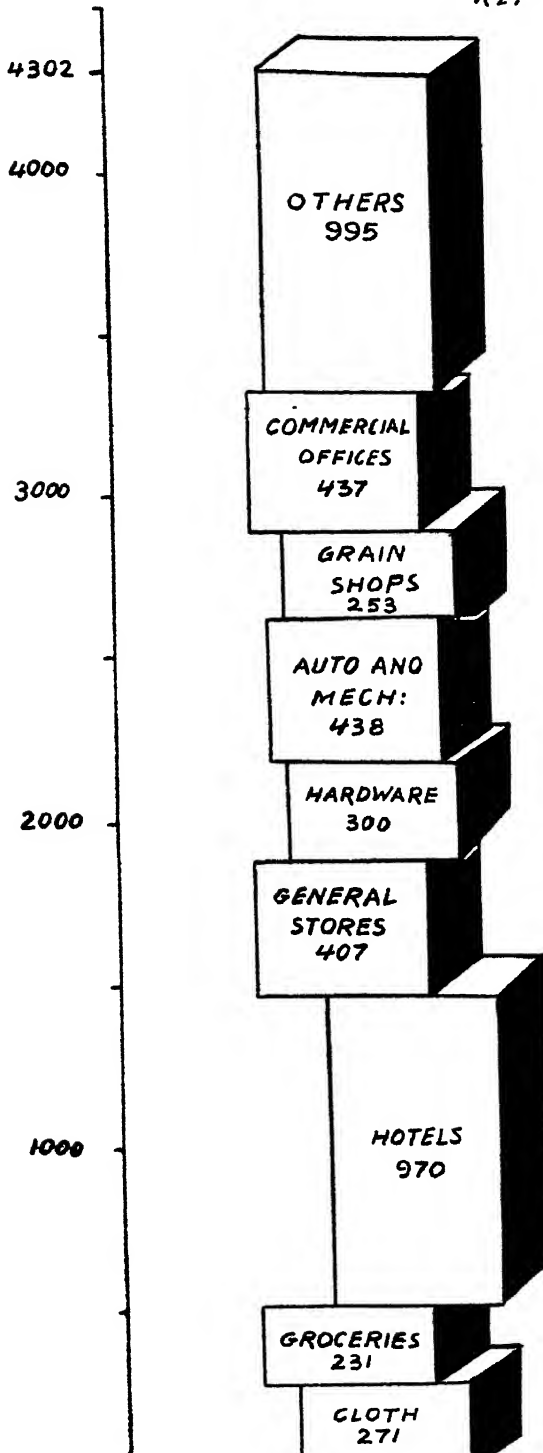
Stability of Employment and Industry.

ALL INCOME RANGERS Rs. 1-500

Sr. No.	Industry	DURATION											Total
		1-30 days	2-3 months	4-6 months	7-9 months	10-12 months	1-3 years	4-5 years	6-10 years	11-20 years	Over 20 years		
1	2	3	4	5	6	7	8	9	10	11	12	13	
1.	Cloth ..	..	10	12	3	..	100	32	53	..	9	271
2.	Groceries ..	..	5	12	11	..	84	38	39	23	12	231
3.	Hotel ..	..	83	95	50	5	353	123	104	31	7	670
4.	General ..	..	10	26	8	3	165	74	51	41	13	407
5.	Shoe & Leather ..	..	1	3	3	1	26	15	17	20	4	92
6.	Books & Stationery ..	..	..	9	3	..	23	2	1	1	..	44
7.	Tinkers ..	..	3	2	3	..	15	8	6	4	..	39
8.	Tailoring ..	..	7	9	7	2	50	20	27	21	2	138
9.	Hardware ..	..	9	11	3	2	83	44	69	57	12	367
10.	Auto & Vchm. ..	..	13	9	6	7	137	82	64	67	13	407
11.	Medicine ..	..	2	1	4	..	20	15	10	..	1	56
12.	Printing Presses ..	..	6	9	..	..	28	36	36	20	6	140
13.	Furniture ..	..	3	17	4	3	26	9	11	6	..	77
14.	Gain ..	..	13	20	7	3	106	25	39	20	6	231
15.	Fruit & Vegg. ..	..	7	16	1	3	42	21	15	23	2	130
16.	Miscellaneous ..	..	7	13	6	1	93	48	41	21	5	249
17.	Commercial Offices ..	..	7	11	5	2	144	79	101	69	15	457
Total		178	214	294	131	33	1505	684	687	477	109	1302	

STRENGTH OF EMPLOYMENT AMONG DIFFERENT INDUSTRIES

REF : PARA 13.



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me
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XIII.

14. In this Enquiry, employees in shops and establishments numbered 3865, and those in commercial offices 437. The samples stand thus among the different income ranges :

Income ranges Rs.	No. of samples	Percentage to total No. of samples
1-54	1927	44.79
55-100	1700	39.52
101-150	357	8.29
151-200	144	3.31
201-300	108	2.52
301-500	66	1.54
Total ..	4302	100.00

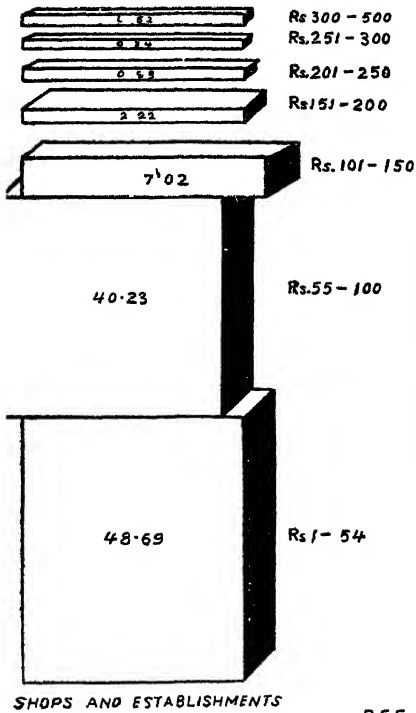
Employees in commercial offices occur largest in number in the income range Rs. 55-100 (145 out of 437 : 33.18%), while the predominant number of employees in shops and establishments (1882 out of 3865 : 48.69%) is in the income range Rs. 1-54. Further, samples in upper income groups are larger in commercial offices than in shops and establishments proportionately speaking, and even absolutely in the two upper most ranges. Among the reasons for this are higher educational qualifications, stabler finances and closer Governmental control.

TABLE XIII

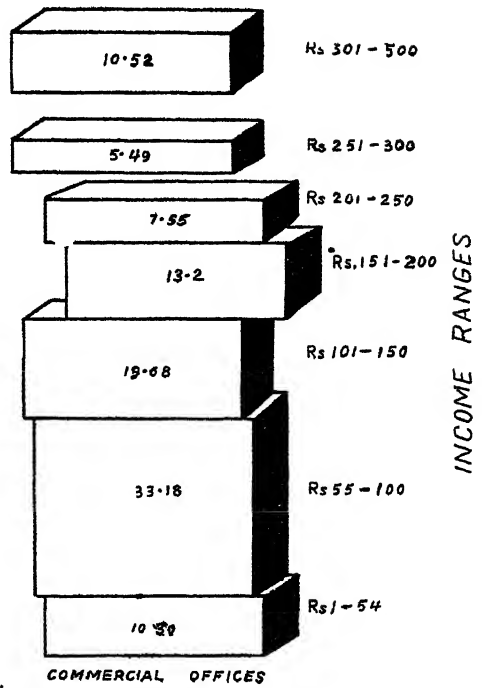
*Employees in (1) Shops and Establishments and (2) Commercial Offices :
Income Ranges*

Sr. No.	Income ranges Rs.	T O T A L					
		No. of cases examined in Shops & Estab- lishments		No. of cases examined in Commercial Offices		Total No. of cases	Percentage of total samples
		No.	Percent	No.	Percent		
1	2	3	4	5	6	7	8
1.	1- 54	.. 1882	97.66	45	2.34	1927	44.79
2.	55-100	.. 1553	91.48	145	8.52	1700	39.52
3.	101-150	.. 271	75.91	86	24.09	357	8.29
4.	151-200	.. 86	59.72	58	40.28	144	3.34
5.	201-250	.. 38	53.52	33	46.48	71	1.65
6.	251-300	.. 18	35.18	24	64.87	37	0.87
7.	301-500	.. 20	30.81	46	69.69	66	1.54
	Total ..	3865	89.84	437	10.16	4302	100.00

**DISTRIBUTION OF EMPLOYEES IN SHOPS AND ESTABLISHMENTS
AND
COMMERCIAL OFFICES. (PERCENTAGE)**



REF PARA 14



CHAPTER III.

INCOME

- d 15. All the samples are employees and therefore have incomes. The total monthly income is Rs. 3,06,011, and the average income per employee works at Rs. 71.13 while averages for different income groups work at :
- iv.

Income range	No. of employees	Average income per employee
Rs.		Rs.
1- 54	1927	35.57
55-100	1700	73.37
101-150	357	126.68
151-200	144	174.34
201-250	71	227.74
251-300	37	277.30
301-500	66	339.53
Total ..	4302	71.13

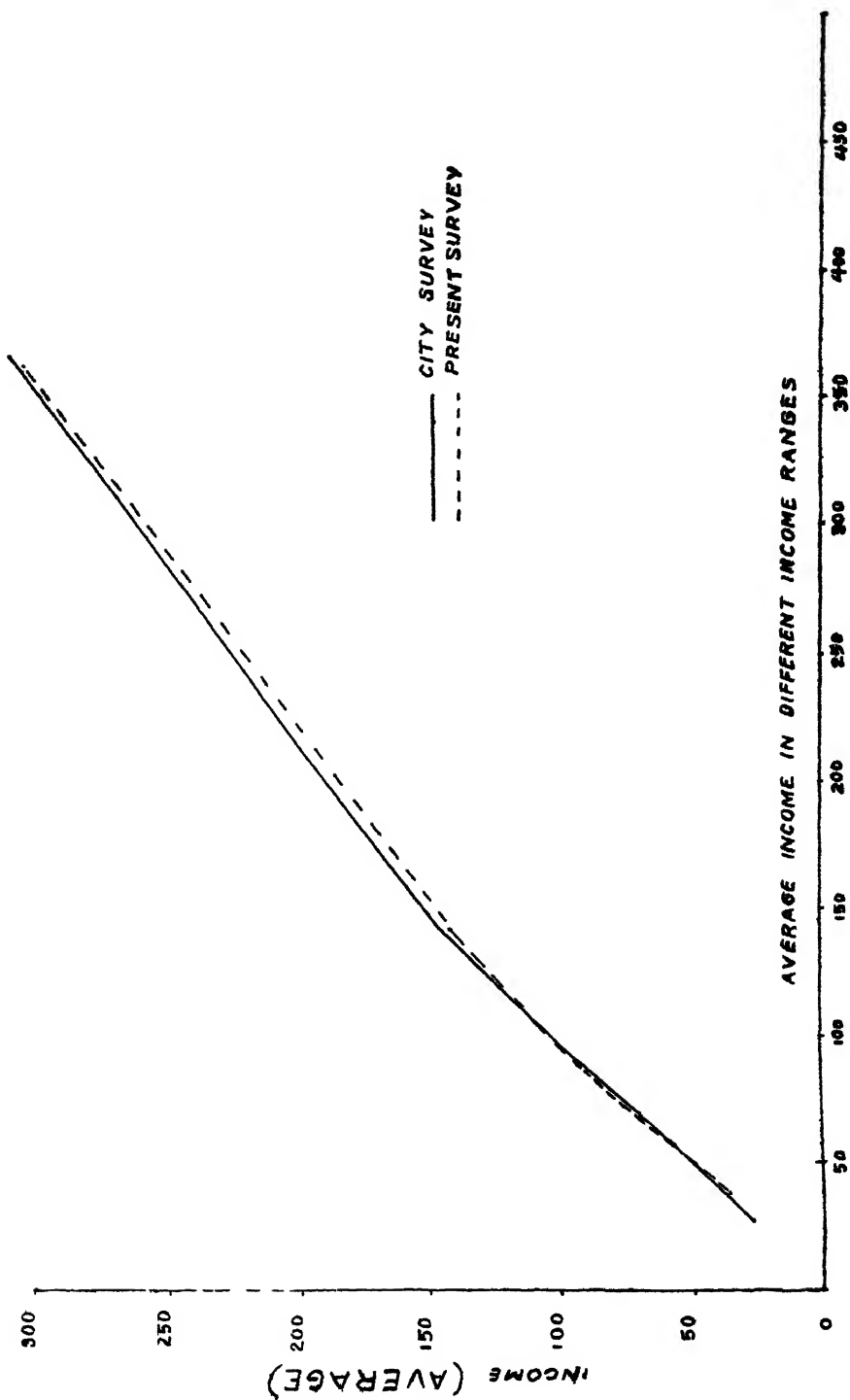
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ent
vey. 16. A comparison with average incomes in the recent City Survey stands thus :

Income ranges	AVERAGE	INCOME
	City Survey	Present Enquiry
Rs.		
* 1-50	27.8	35.57
51-100	70.8	73.37
101-200	146.0	140.38
201-500	312.2	301.5
Total ..	97.4	71.13

*In the present Enquiry, the corresponding range is Rs. 1-54.

AVERAGE INCOMES IN THE TWO ENQUIRIES

RFE PARA 16



In the City Survey, average income comes down to Rs. 71.8 if incomes exceeding Rs. 500 are excluded. The figures are almost identical and striking. In other ranges except the first, the averages do not differ much. The difference between Rs. 27.8 and Rs. 35.57 is explained by (1) the fact that the recent City Survey included earning dependents while these are excluded from the present Enquiry, and (2) there is a slight difference in range : in the City Survey it was Rs. 1-50, in the present Enquiry it is Rs. 1-54 (because Rs. 55 is the minimum monthly pay in many businesses).

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main
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.
XIV.

17. 4224 have one occupation only. 78 have subsidiary occupation. 161 get income from other sources. In 372 cases, other inmates contribute to the incomes of the respective households. Percentage of different varieties of income to total income work, on the whole, at :

Income from main source .. (employment).	92.28
Subsidiary income ..	0.47
Other income of the .. employee.	1.70
Income of other inmates of households.	5.55

These figures are proof to show that practically all employees derive their incomes almost entirely from their main employment. Subsidiary incomes are highest in range Rs. 1-54 (1.39%), and lowest in income range Rs. 151-200 (0.09%). The scope for subsidiary occupation is not negligible although the working hours are eight hours and more, depending on the nature of the industry. Further, the employees are not so enterprising as to engage themselves in subsidiary work outside the shop hours : leisure is the commodity dearest to them whether in shop or outside. Among the different income ranges, the highest percentage (96.92) occurs in the income range Rs. 1-54 and the lowest percentage Rs. (76.71) in the income range Rs. 301-500,

18. The following figures show that income from other sources increases as the income range rises, on account mostly of earning assets: “Other Incomes.”
Table XIV

Income range	Percentage of other income to total income of employees	
1- 54	..	0.16
55-100	..	1.14
101-150	..	1.92
151-200	..	1.86
201-250	..	5.04
251-500	..	6.09
On the whole		1.70

“To him that hath shall be given.”

19. There is a direct relation between personal incomes and incomes from other inmates, as the income range rises: the percentages are listed below:— Income from other inmates.
Table XIV

Income range	Personal income (main, subsidiary and other incomes put together)		Income from other inmates of respective households
		Percent	Percent
1- 54	..	98.17	1.83
55-100	..	96.05	3.95
101-200	..	93.91	6.09
201-300	..	91.64	8.36
301-500	..	81.74	18.26
On the whole	..	94.45	5.55

Other members of the households contribute more to households with a rise in income ranges.

Distribution
of employees
and incomes
among
different
income
ranges.
Table
XIV

20. The relation as between number of employees in different income ranges, and the quantity of incomes in different ranges, is as follows :

PERCENTAGE OF NO. OF SAMPLES TO TOTAL NUMBER SAMPLES				PERCENTAGE OF INCOME TO TOTAL INCOME			
Income ranges Rs.	Present Enquiry	RECENT CITY SURVEY		Present Enquiry	RECENT CITY SURVEY		
		Income up to Rs. 500	All income ranges		Income up to Rs. 500	All income ranges	
1	2	3	4	5	6	7	
1-100	..	84.31	80.37	78.93	59.92	45.02	32.69
101-200	..	11.63	13.10	12.86	22.97	28.36	19.28
201-500	..	4.06	6.53	6.41	17.11	26.62	20.54
Above 500	1.80	..	..	27.57
Total ..	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The range of variation between the haves and the have-nots is not so wide here as in the urban incomes on the whole : this Enquiry deals only with employees in shops and establishments, and that too with a ceiling of Rs. 500 a month.

[Statement.]

TABLE XIV.

Total and Average Incomes

Sr. No.	Income ranges (Rs.)	Income from main occupation			From subsidiary occupation			From other sources			From other inmates of the household			Total		Average per sample Rs.	
		N	A	%	N	A	%	N	A	%	N	A	%	N	A		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
1.	1-54	..	1927	66,257	96.62	59	950	1.39	10	103	0.16	98	1,259	1.83	1,927	68,569	35.37
2.	55-100	..	1700	1,08,557	94.62	15	342	0.29	75	1,298	1.14	174	4,529	3.95	1,700	1,14,726	73.87
3.	101-150	..	357	42,353	98.36	1	50	0.11	32	870	1.92	35	1,955	4.33	357	45,228	126.18
4.	151-200	..	144	22,282	88.75	1	20	0.90	15	463	1.86	25	2,335	9.30	144	25,105	174.34
5.	201-250	..	71	14,080	87.03	..	..	..	11	815	5.04	12	1,275	7.88	71	16,170	227.74
6.	251-300	..	37	8,950	87.23	..	..	..	6	395	3.85	7	915	8.92	37	10,260	277.30
7.	301-500	..	66	19,908	76.71	2	70	0.27	12	1,285	4.76	21	4,740	18.26	66	25,953	398.53
Total		..	4302	2,82,387	..	78	1432	..	161	5,184	..	372	17,008	..	4302	3,06,011	71.18
% to total Income		..	..	92.28	..	..	0.47	..	..	1.70	..	..	5.55	..	..	..	..

Percentage of income of each income group to total income.

Note :— N.—Num. or of cases.

A.—Amount of income (Rs.).

%.—Percentage to total in the concerned income range Amount).

Percentage.	
Income Ranges	Rs.
1-54	22.42
55-100	37.50
101-150	14.75
151-200	8.22
201-250	5.26
251-300	3.36
301-500	8.49

Income
ranges and
size groups
of house-
holds.

21. 4302 samples include 15,283 inmates in their households and the size of the average household in different groups is given below :

Table XV.

Income Range Rs.	No. of employees	No. of inmates	Strength of the average household	
1-54	1,927	5,023	2.60	
55-100	1,700	6,637	3.90	
101-150	357	1,797	5.08	} 5.22
151-200	144	817	5.67	
201-250	71	401	5.65	} 5.48
251-300	37	191	5.16	
301-500	66	417	6.32	
Total :	4,302	15,283	3.55	

The size of the household varies directly with the income range.

[Statement.]

* INCOME RANGES Rs.

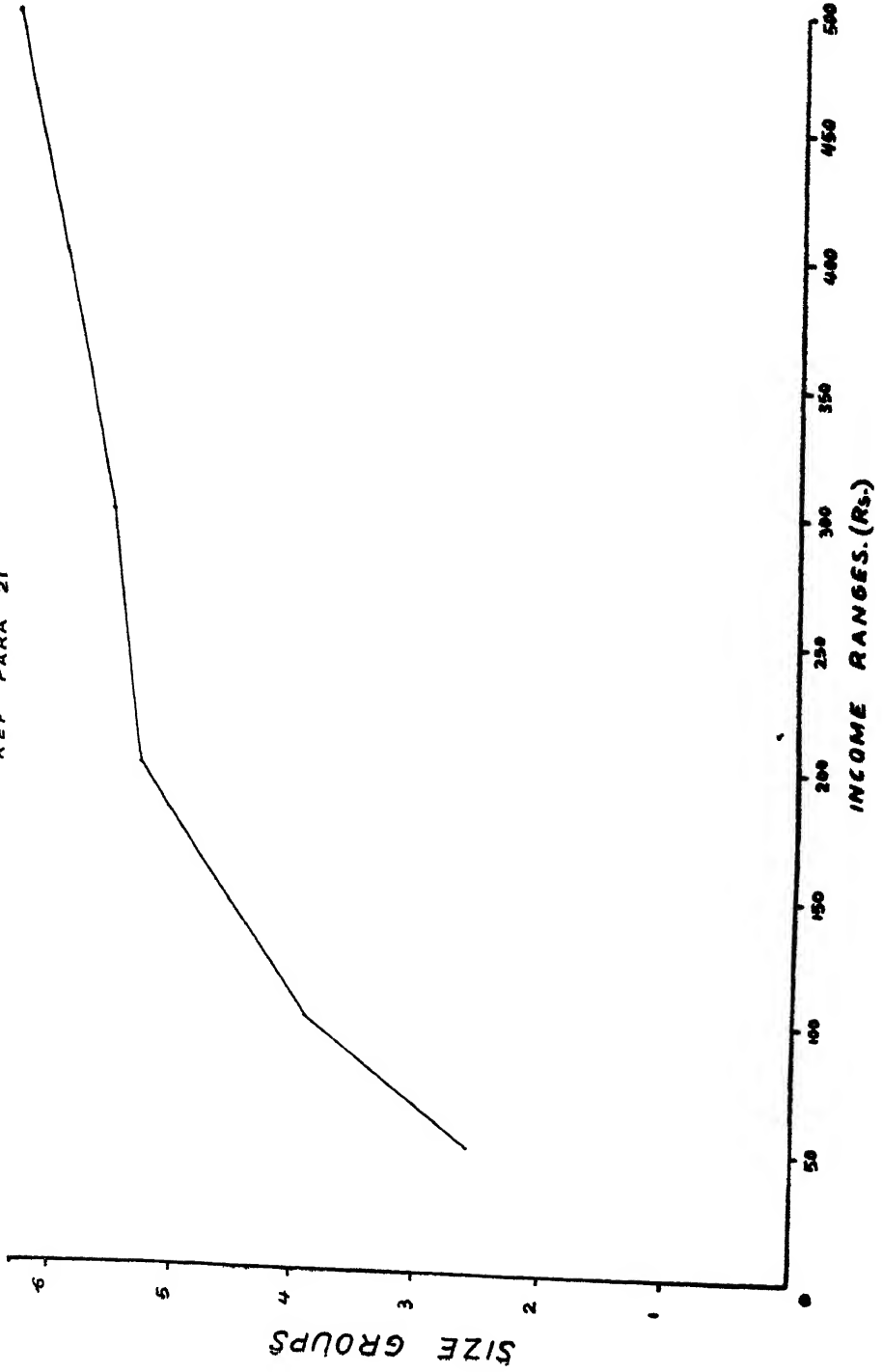
Sl. No.	Size group of the household	1-54		55-100		101-150		151-200		201-250		251-300		301-500		Total		
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
1.	1	.	758	15.40	281	4.23	42	2.34	8	0.98	10	2.50	3	1.57	2	0.48	1,104	7.22
2.	2	..	626	12.72	368	5.55	62	3.45	8	0.99	12	3.00	6	3.14	4	0.96	1,086	7.11
3.	3	..	774	15.70	693	10.45	96	5.34	60	7.35	18	4.49	21	10.99	18	4.31	1,680	10.99
4.	4	..	1,092	20.15	1,192	17.96	280	15.58	80	9.79	82	7.99	4	2.10	32	7.67	2,712	17.75
5.	5-8	..	1,603	32.56	3,506	52.82	997	55.49	402	49.21	170	42.40	104	54.45	223	53.48	7,005	45.84
6.	9-12	..	156	3.18	557	8.39	292	16.25	214	26.19	103	25.68	53	27.75	107	25.66	1,482	9.69
7.	Over -12	..	14	0.29	40	0.60	28	1.55	45	5.50	56	13.95	..	..	31	7.44	214	1.41
Total		..	4,928	..	6,697	..	1,797	..	817	..	401	..	191	..	417	..	15,283	..

N. Number of inmates.

%. Percentage to total in the concerned income range.

GRAPH SHOWING SIZE GROUPS : INCOME RANGES.

REF PARA 21



CHAPTER IV

ASSETS

22. Out of 4302 samples, only 1994 have assets : 2308 samples have no assets. Assets total Rs. 83,46,780, yielding an average of Rs. 1,678.42 per assets holder. The average is lowest in the income range Rs. 1-54 (881.94) and highest in the income range Rs. 301-500 (Rs.15,582.65). The following figures show average assets in different income ranges, per assets holder and per income receiver. Assets and income ranges. Table XVI.

Income range Rs.	No. of income receivers	No. of assets holders	AVERAGE ASSETS PER	
			Assets holder Rs.	Income receiver. Rs.
1- 54	1,927	549	881.94	251.26
55-100	1,700	986	1043.27	605.09
101-150	857	235	2142.63	1410.42
151-200	144	101	3377.86	2369.19
201-250	71	47	5047.49	3841.29
251-300	37	22	5752.41	3420.85
301-500	66	54	15582.65	9476.71
Total	4302	1994	1678.42	777.95

Assets increase directly with rising income ranges.

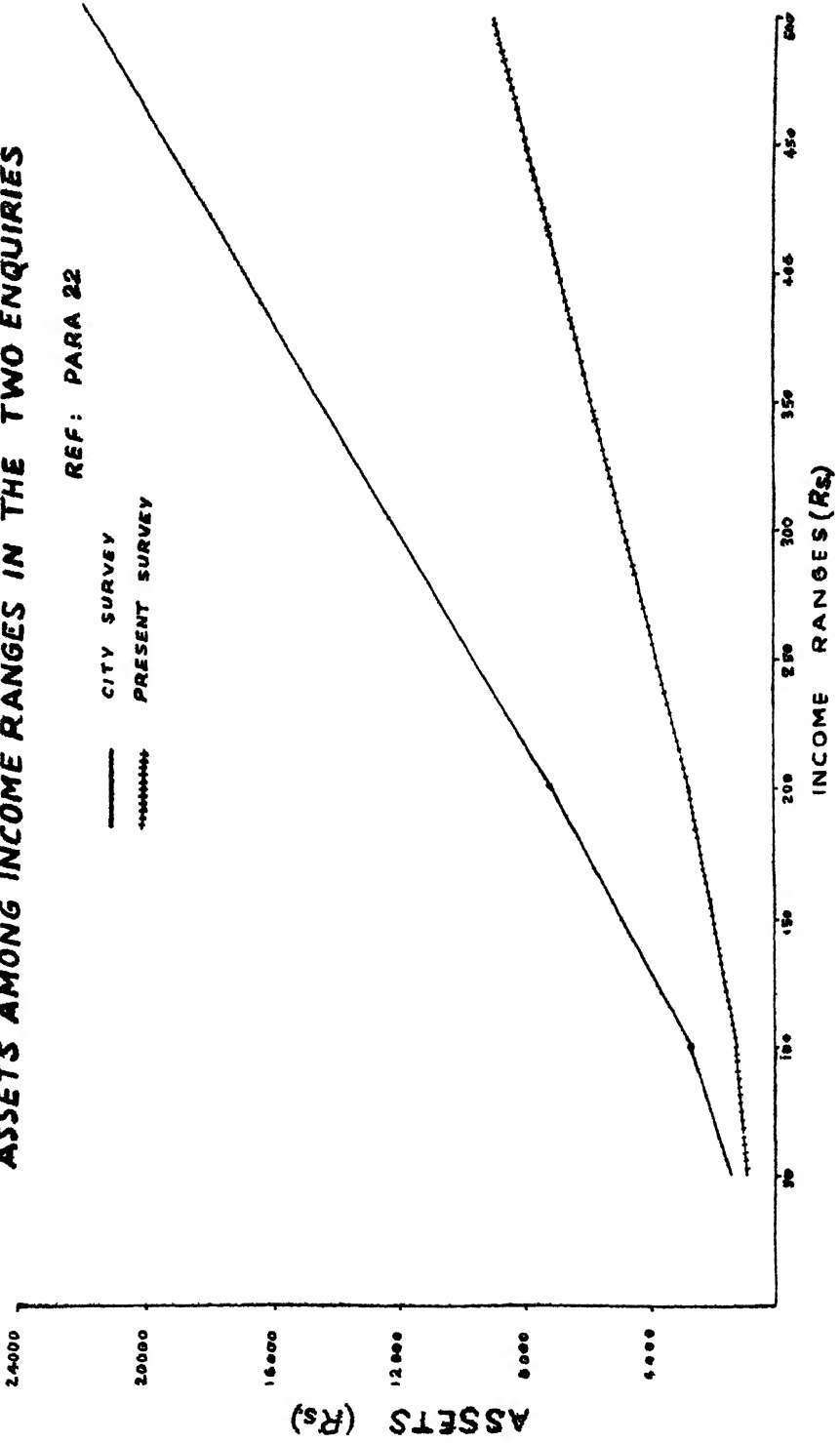
TABLE XVI

ASSETS AND INCOME RANGES

Sl. No.	Income ranges Rs.	Immovable Assets		Liquid Assets		Insurance cash value		Provident Fund credits		Other movable assets		Total	
		Rs.		Rs.		Rs.		Rs.		Rs.		No. of assets holders	Amount Rs.
1	2	3	4	5	6	7	8	9					
1.	1-54	4,69,125	2,860	2,872	2,347	7,410	519	4,84,184					
2.	55-100	8,64,480	62,290	17,247	22,574	62,075	986	10,28,666					
3.	101-150	3,35,400	40,968	36,935	31,215	59,000	235	5,03,513					
4.	151-200	1,83,500	20,875	43,685	50,559	42,545	101	3,41,164					
5.	201-250	1,10,000	9,140	18,850	41,812	57,430	47	2,37,232					
6.	251-300	45,350	14,450	20,570	32,928	13,260	22	1,26,553					
7.	301-500	3,78,200	49,225	31,700	1,00,788	65,550	54	6,25,463					
Total ..		23,86,125	1,99,808	1,71,359	2,82,218	3,07,270	1994	38,46,780					

ASSETS AMONG INCOME RANGES IN THE TWO ENQUIRIES

REF: PARA 22



Recent City
Survey
figures.

23. In the recent City Survey, average assets per assets holder worked at Rs. 10,083, but this included all income ranges. Assets holders in income ranges upto Rs. 500 possessed assets worth Rs. 2,36,78,521 and average assets per assets holder worked at Rs. 4,925.84. In other words, average assets per assets holder in the present Enquiry are about a third within the same income ranges of the recent City Survey. This wide difference may be due to the following factors: (1) Temporary immigrants comprise floating population, and such persons have practically no assets: persons with tangible assets are not inclined to emigrate. (2) The City Survey included proprietary workers who are excluded from the present Enquiry. Proprietary workers must have assets while employees' assets are mostly personal labour. (3) The Distribution of resources among employees in shops and establishments and commercial offices, irrespective of incomes, is more irrational than among other sections of the population (of course excluding daily or casual labour). Among these employees, the propensity to save is practically non-existent, and as such, the accumulation of assets is not common.

Immovable,
Liquid and
other
movable
assets.
Table XVI.

24. Varieties of assets stand at 71.29% (immovable assets), 5.96% (liquid assets), 5.12% (insurance cash value), 8.43% (provident fund credits), and 9.20 % (other movables). The following figures reveal, generally speaking, immovable assets decline in importance as the income range rises, while liquid assets and other movable assets tend to rise with rising income ranges:

Percentage to total assets in the respective income range.

Income-range Rs.	Immovable	Liquid	Insurance cash value	Provident fund credits	Other movables.
1- 54	96.90	0.59	0.49	0.48	1.54
55-100	84.04	6.05	1.68	2.19	6.04
101-150	66.61	8.14	7.34	6.19	11.72
151-200	53.78	6.11	12.77	14.81	12.53
201-250	45.94	3.85	7.94	17.62	24.65
251-300	35.86	11.42	16.26	26.02	10.44
301-500	60.49	7.97	5.07	15.96	10.48
On the whole :	71.29	5.96	5.12	8.43	9.20

Immovable assets rise in the highest range of income because of houses and lands owned generally. As mentioned earlier, there is no urge for liquid assets, and as such, the percentage goes down in upper income ranges. With regard to other movable assets, there is a decline in the upper income range as the employees concerned just cannot afford costly items like motor bicycles and cars. In contrast to the recent City Survey, liquid assets are particularly lean even after allowing a margin for income ranges exceeding Rs. 500 : in the latter Survey, the relevant percentage was 20.2. Immovable assets are mostly inherited. The low standard of life is indicated by the percentage of "other movables". The small liquid assets reflect the poor saving propensity and the poorer saving margin. Another point is that the proprietary worker must have commensurate liquid assets (whether owned or borrowed) while the process of personal labour for a wage involves practically no liquid assets (except perhaps some pocket money for cigarettes, tea or cinema).

25. As mentioned earlier, income receivers are 4802 while assets holders are only 1994. Although average assets per income receiver would be unreal, averages have been worked out with both criteria. The following table shows the relative position of income and assets among different income ranges :

Ratio of
income
to assets.
Table XIV

Income ranges Rs.	Percentage of income to assets	Percentage of assets to income.
1- 54	14.16	706.12
55-100	12.12	824.74
101-200	8.33	1200.97
201-300	7.26	1872.62
301-500	3.15	2409.98
One the whole	9.14	1093.68

It must be remembered that these percentages are collective, the number of income receivers and the number of assets holders being different. The ratio of income to assets in the recent City Survey worked at 0.14% on the whole and at 2.46% in income ranges upto Rs. 500. This means that assets increase more

than proportionately with rising incomes and secondly that the factor of income is much more important than assets in the case of employees than in the case of the community in general.

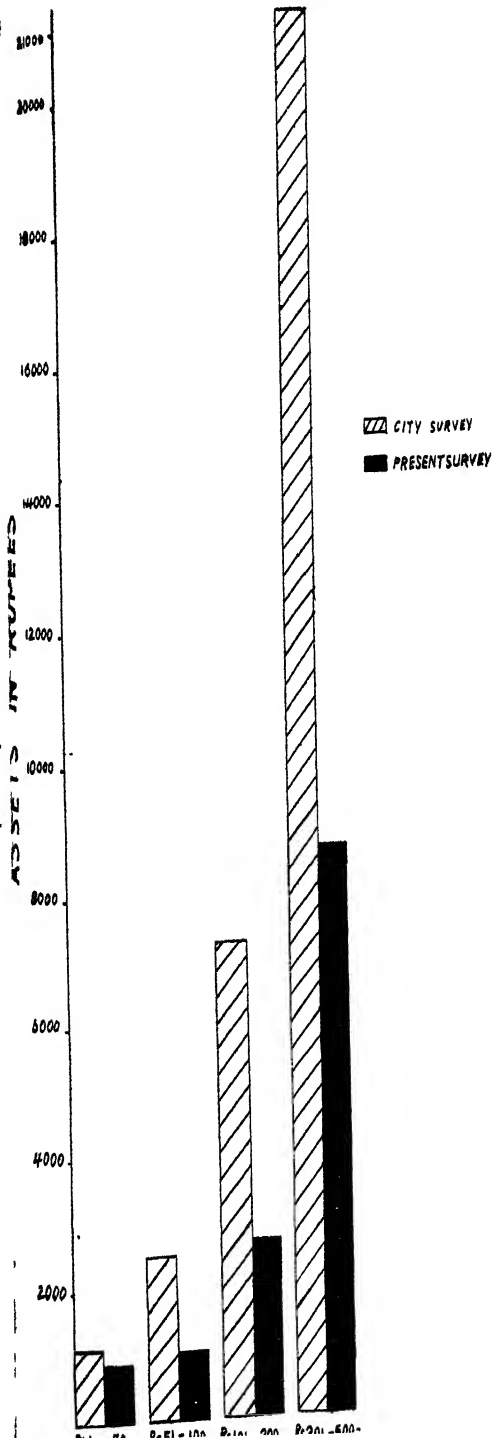
TABLE XVII

PERCENTAGE OF ASSETS TO INCOME AND INCOME TO ASSETS

Srl. No.	Income range	INCOME		ASSETS		Percentage of Assets to Income	Percentage of Income to Assets
		Number of cases	Amount Rs.	Number of cases	Amount Rs.		
1	2	3	4	5	6	7	8
1.	1-34	1927	68,569	510	1,84,184	706.12	14.16
2.	35-100	1700	1,24,726	986	10,28,666	824.74	12.12
3.	101-150	337	45,228	235	5,03,518	1113.28	8.98
4.	151-200	144	25,105	101	3,41,164	1358.95	7.86
5.	201-250	71	16,170	47	2,37,232	1467.10	6.81
6.	251-300	37	10,260	22	1,26,553	1233.46	8.10
7.	301-500	66	25,938	34	6,25,463	2409.98	3.15
Total		4802	3,06,011	1994	33,46,780	1093.68	9.14

AVERAGE ASSETS IN THE TWO ENQUIRIES IN INCOME RANGES

REF: PARA 25



CHAPTER V

LIABILITIES.

26. Out of 4802 samples, only 1255 have liabilities. ^{Indebted and debt free} 3047 are debt free (while 2308 have no assets). Liabilities total Rs. 7,02,283 working at an average of Rs. ^{employers} 555.16 per debtor, and Rs. 163.24 per income receiver. ^{Table} The relative position in different income ranges works at : XVIII

Income range Rs.	No. of indebted persons	No. of income receivers	AVERAGE LIABILITY PER	
			Indebted person	Income receiver.
1—54	460	1927	381.86	79.29
55—100	586	1700	548.52	189.79
101—150	108	357	1160.26	851.00
151—200	48	144	772.53	260.55
201—250	26	71	1201.00	489.80
251—300	11	87	44.00	191.48
301—500	21	66	1242.13	410.88
Total	1255	4802	555.16	163.24

TABLE XVIII
Duration of Debt.

Average liability increases with rise in income ranges.

Srl. No.	Income ranges Rs.	SHORT TERM DEBT			MEDIUM TERM DEBT			LONG TERM DEBT			TOTAL		
		N	A	%	N	A	%	N	A	%	N	A	Average debt Ra.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	1-54	231	46,659	30.17	86	23,355	18.58	143	77,610	50.85	460	1,52,624	331.36
2.	55-100	275	82,023	25.71	168	59,763	18.58	143	1,79,049	55.71	546	3,21,435	548.52
3.	101-150	49	19,530	15.59	31	24,270	19.38	28	31,508	65.03	108	1,25,393	1160.26
4.	151-200	14	6,325	16.86	13	9,010	24.02	16	22,175	59.12	43	37,520	827.55
5.	201-250	8	5,178	16.58	6	4,448	14.24	12	21,600	69.18	26	31,224	1201.00
6.	251-300	5	3,785	53.42	3	1,900	26.82	3	1,400	19.76	11	7,065	644.09
7.	301-500	11	10,785	39.82	8	3,100	11.45	7	13,200	48.78	21	27,085	1242.13
Total		598	1,74,895	24.90	310	1,30,846	18.63	352	3,96,542	56.47	1255	7,02,283	555.16

Note.—N. Number of cases.
A. Amount of liability.
% Percentage to total in concerned income range.

in different
income
ranges.
Table
XVIII.

PROPORTION OF LIABILITIES IN DIFFERENT INCOME
ranges to total liabilities is as follows :

Income ranges	Percentage of liabilities to total liabilities :
Rs.	
1- 54	21.78
55-100	45.77
101-200	23.18
201-300	5.46
301-500	3.86

As the income range rises, there is a decline in the proportion of liabilities to total liabilities except in the income range Rs. 55-100 : in this range, in spite of indebted employees being larger in number, the incidence of debt is heavier which calls for special attention.

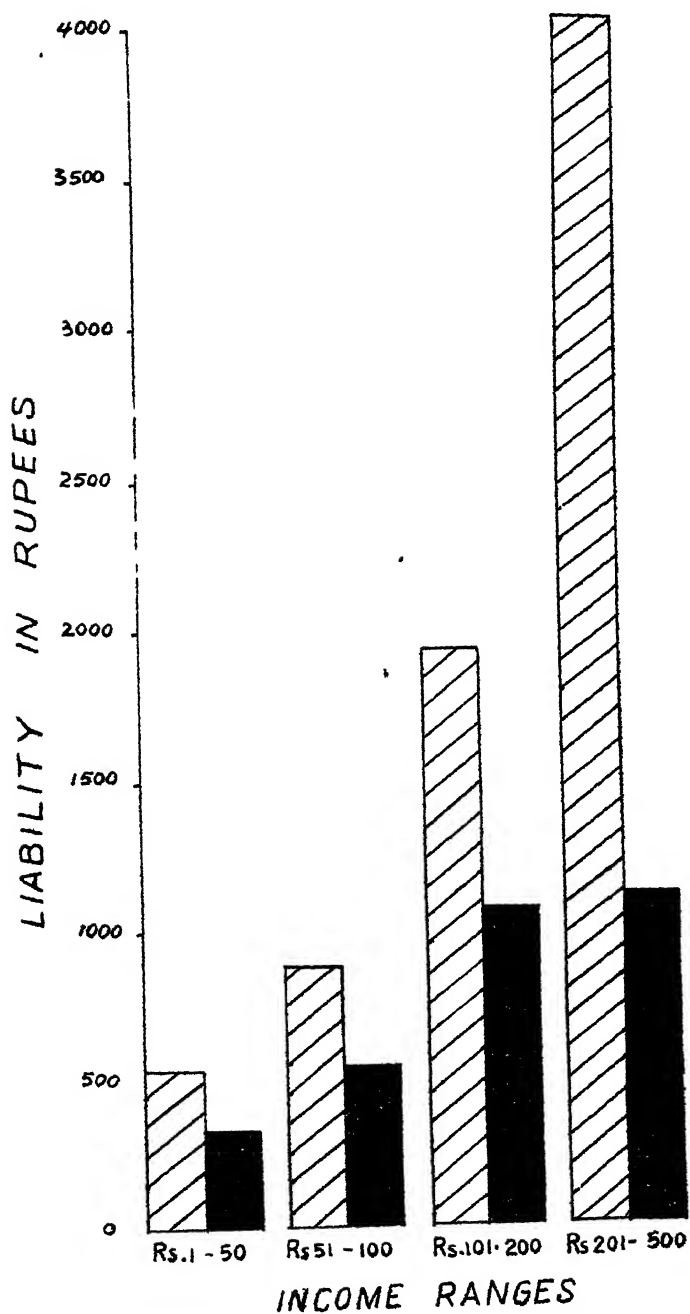
City Survey
figures.

28. Taking into account liabilities of income receivers and ranges Rs. 1-500, the liabilities in the recent City Survey and in the present Enquiry work at the following averages :

Income range	AVERAGE LIABILITY PER		AVERAGE LIABILITY PER	
	INDEBTED PERSON		INCOME RECEIVER	
	City Survey	Present Enquiry	City Survey	Present Enquiry
Rs.				
1- 54	.. 526.19	381.86	147.74	79.29
55-100	.. 895.72	548.52	328.68	189.79
101-200	.. 1927.81	1078.88	732.17	325.05
201-500	.. 4088.28	1127.52	1242.53	375.84
On the whole	.. 1070.29	555.16	388.45	168.24

**AVERAGE LIABILITIES IN THE TWO ENQUIRIES
IN
INCOME RANGES**

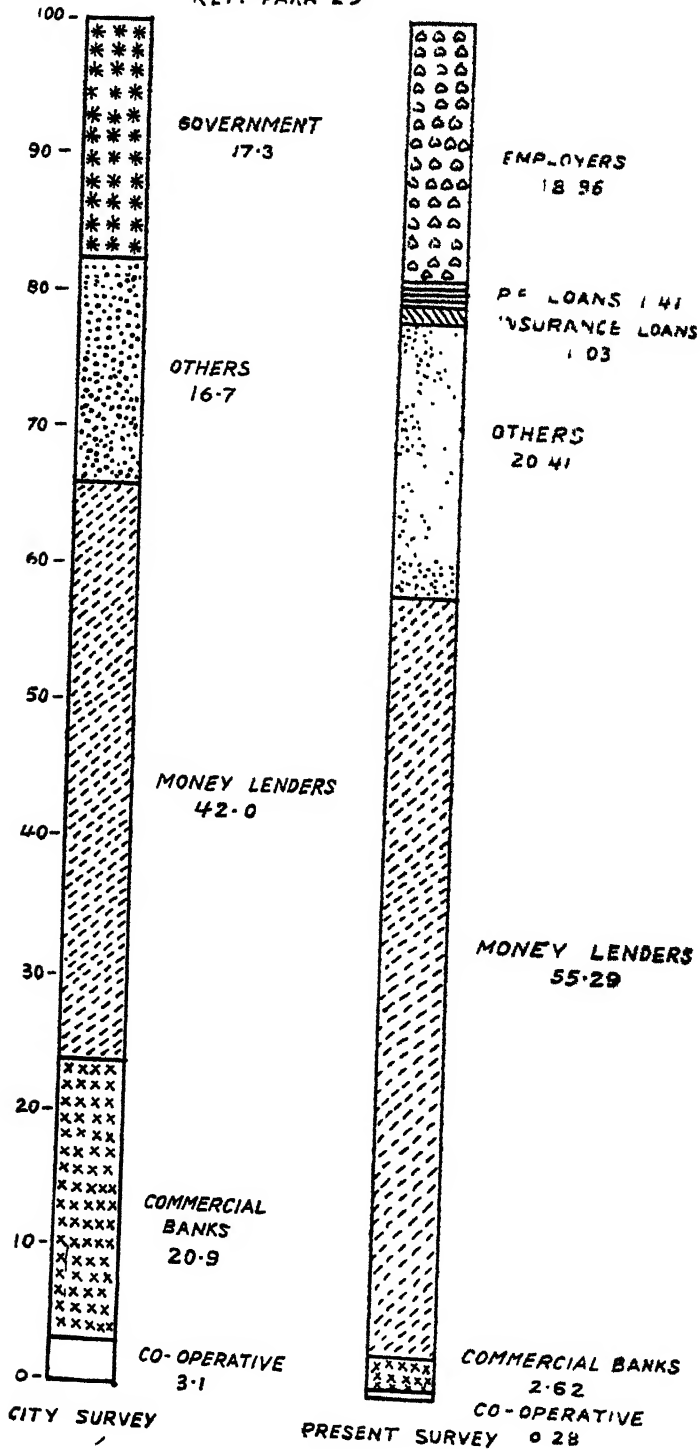
REF PARA 28



▨ CITY SURVEY
■ RECENT ENQUIRY

CREDITOR AGENCIES IN THE TWO ENQUIRIES (PERCENTAGES)

REF: PARA 29



Indebtedness is lower on the average in the present Enquiry compared to the City Survey (excluding income ranges more than Rs. 1500), the main reason is the comparatively worse off position with regard to assets. Further, casual or daily workers and proprietary workers were included in the City Survey, which classes have less secure incomes than regular employees. The comparatively superior position with regard to security, tends to lessen liability. What is more, in the case of the present samples, a good fraction of borrowing is from respective employers, in most cases closely controlled although with free or nominal interest.

29. If anything, co-operative dues should be more in the present Enquiry than the City Survey, consisting of low income group employees. But the actual percentages are 3.1 (City Survey) and 0.28 (Present Enquiry) These percentages further emphasise the great and urgent need for urban co-operatives ramifying every block of the City Area. Similarly, commercial banks hardly touch the present sample (2.62%); in the city Survey, liabilities to commercial banks were as high as 20.9%. Moneylenders have a tighter grip on the employees than on the community in general (55.29%) against 42.% in the City Survey). In one respect, these employees are better off: liabilities due to friends and relatives are 19.89%, to respective employers 18.96%, making a total of 38.85% against 16.7% in the City Survey. It is also noteworthy that liabilities to Government contributed 17.3% in the City Survey and nil in the present Enquiry.

Creditor
agencies.
Table XIX.

As was explained in the City Survey, the necessity of upgrading as many as possible employees as to proprietary workers, cannot be exaggerated, specially in view of the bias for hand industries, cottage industries and small-scale-indutries contained in the Second Five-Year Plan. But a beginning in this direction has yet to be made, and the only instrument that can prove effective is the Co-operative Movement. The following table gives the relevant figures :

[Statement

Creditor agency	Percentage to total liabilities in the City Survey	Percentage to total liabilities in the present Enquiry
Co-operatives	3.1	0.28
Insurance loans	20.9	1.03
Provident loans		1.41
Commercial Banks		2.62
Moneylenders	42.0	55.29
Friends and relatives	16.7	38.85 (including Employees)
Government	17.3	Nil
Others ..	Nil	0.52

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ty
al
I

30. Percentages with regard to short term, medium term and long term liabilities work at 24.90, 18.63 and 56.47 respectively, while corresponding figures in the recent City Survey were 9.0, 38.2 and 52.8 respectively. But the City Survey included income ranges higher than Rs. 500. Restricting the calculation to samples income ranges up to Rs. 500, the City Survey figures work at short term (11.60), medium term (50.61) and long term (37.79). These percentages indicate that the incidence of long term debt is heavier in the present sample than in the City Survey which included Government servants, industrial labour, domestic service and proprietary workers. In other words, rationalising the finances of these employees should be more difficult than in other sectors, and the only conceivable agency is the Co-operative Movement, the Government and the Reserve Bank of India coming in with subsidies and loans with nominal rates of interests. The redeeming feature of short term liabilities being higher in percentage than in the City Survey (24.90 : 11.6) is mostly due to regular recoveries of loans made by employers.

TABLE XIX
Liabilities and Creditor Agencies : Income Ranges.

Sl. No.	Income ranges Rs.	CREDITORS AGENCIES									Total	Percentage to total liabilities.
		Co-opera- tives	Insurance loans	P. F. loans	Commer- cial Banks	Employers	Friends & relatives	Private money- lenders	Others			
1	2	3	4	5	6	7	8	9	10	11	12	
1.	1-54	780	1,072	..	12,328	51,985	15,512	70,997	..	1,52,624	21.73	
2.	55-100	104	1,600	1,727	900	42,700	87,215	1,85,189	2,000	3,21,435	45.77	
3.	101-150	820	2,500	1,498	3,500	14,185	13,800	89,555	..	1,25,808	17.84	
4.	151-200	..	..	495	500	10,405	9,800	15,270	1,050	37,520	5.34
5.	201-250	150	700	1,320	400	5,608	2,248	20,800	..	31,226	4.45	
6.	251-300	..	200	2,435	300	800	3,550	50	250	7,085	1.01	
7.	301-500	700	1,159	2,200	541	8,035	7,550	6,500	400	27,035	3.86	
Total		2,004	7,231	9,675	18,469	1,38,168	1,39,675	3,38,361	3,700	7,02,233	100.00	
Percentage		0.28	1.03	1.41	2.62	18.96	19.89	55.29	0.51	100.00	100.00	

ration of
bilities
d income
anges.

31. The distribution of liabilities according to duration in different income ranges works at :

ble /III.	Income ranges Rs.	PERCENTAGE		
		Short term	Medium term	Long term.
	1-54	30.17	18.58	50.85
	55-100	25.71	18.58	55.71
	101-150	15.59	19.38	65.08
	151-200	16.86	24.02	59.12
	201-250	16.58	14.24	69.18
	251-300	53.42	26.82	19.76
	301-500	39.82	11.45	48.73
	On the whole	24.90	18.63	56.47

These figures do not establish any particular trend. But it may be observed that long term in the five lower income ranges are mostly for consumption and are hereditary and impossible. On the other hand, in the income range Rs. 301-500, long term debts are mostly productive and good. Medium term loans are not important (18.63). There can be little method about short term liabilities, borrowings at the time of the enquiry depending on numerous accidental factors like social and religious expenses, education, travel, insurance premium, etc.

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xx.

32. Compared to the recent City Survey, rates of interest paid are lower in general, the main reason being competition as between the employer and the money-lender with regard to the interest rates charged. In the present Enquiry, 58.80% of the debtors pay no interest. Next in order comes the interest rate range 16-24, comprising 205 cases (16.34%). Even then, employees paying more than 24% per annum number 102 (8.12%).

In the City Survey, interest-free loans were comparatively smaller in percentage (909 cases out of 2759 : 32.94%). As in the present Enquiry, the interest rates range 16-24 contains the next largest number of cases (539) in the City Survey. Among the income ranges, Rs. 55-100 has the largest number of interest-free loans, namely, 368 out of 1255, followed by 249 in the income range Rs. 1-54. In the interest rate range 16-24, income ranges Rs. 1-100, account for 181 cases out of 205. In the interest rate range 25-48, debtors are in income ranges Rs. 1-100 number 77 out of 81 in that range. Interest rate ranges above 48% per annum operate only in the income ranges Rs. 1-100 (21). These usurious rates are a consequence of due necessity, absence of foresight on the part of borrowers, and avarice on the part of moneylenders.

TABLE XX

RATE OF INTEREST PAID : INCOME RANGES

Sr. No.	Income ranges Rs.	Nil interest	1-3%	4-8%	9-15%	16-24%	25-48%	49-64%	65-96%	Over 96%	Total number of cases
1	2	3	4	5	6	7	8	9	10	11	12
1.	1-54	249	4	10	47	96	44	..	9	1	460
2.	55-100	368	1	23	59	91	33	3	4	4	586
3.	101-150	65	8	12	17	11	..	..	..	..	108
4.	151-200	24	..	6	5	6	2	..	..	..	43
5.	201-250	12	..	10	2	1	1	.	..	..	26
6.	251-300	6	..	3	2	..	..	..	..	..	11
7.	301-500	14	..	4	2	..	1	..	..	..	24
Total		738	8	68	134	205	81	3	13	5	1,255
Percentage to total		58.80	0.64	5.42	10.68	16.34	6.45	0.24	1.04	0.39	100.00

33. The proportion of income to liabilities works as follows in different income ranges :

Ratio of
income to
liabilities.

Table XX I.

Income range Rs.	% of income to liability in the present Enquiry	% of income to liability in the City Survey
1- 54	44.92	18.62
55-100	38.80	21.55
101-150 }	36.09 }	43.19
151-200 }	66.91 }	
201-300 }	68.99 }	
301-500 }	95.45 }	
All ranges	43.57	80.12
		25.11
		21.22

In no range is liability less than a month's income. Income ranges Rs. 54-100 and Rs. 101-150 have particularly heavy debt burden almost three months' income. The general position is better compared to 4899 samples in the recent City Survey in which the percentage of income to liability worked at :

Income ranges Rs.	Ratio of income to liability
1- 25	1 : 7
26- 50	1 : 4.7
51-100	1 : 4.6
101-200	1 : 5.0
201-500	1 : 3.9
All ranges	1 : 4.7

The main explanation for the comparatively better position is that casual or daily workers, Government servants, industrial labour, domestic service and proprietary workers are excluded. The over-all position is that the average sample owes slightly more than two months' income. This comparatively sound situation does warrant assistance by commercial and co-operative banks on business lines.

TABLE XXI

Percentage of Income to Liabilities and Liabilities to Income.

Srl. No.	Income ranges Rs.	INCOME		LIABILITIES		Percentage of income to liabilities.	Percentage of liabilities to income.
		Number cases	Amount Rs.	Number of cases	Amount Rs.		
1	2	3	4	5	6	7	8
1.	1-54	1,927	68,569	460	1,52,624	44.92	222.58
2.	55-100	1,700	1,24,726	586	3,21,485	38.80	257.71
3.	101-150	357	45,228	108	1,25,808	36.09	277.06
4.	151-200	144	25,105	48	37,520	66.91	149.45
5.	201-250	71	16,170	26	31,226	51.11	198.10
6.	251-300	37	10,260	11	7,085	144.81	69.05
7.	301-500	66	25,953	21	27,085	95.45	104.86
Total		4,802	3,06,011	1,255	7,02,288	48.57	229.49

Percentage of liabilities to assets.

Table XXII

34. Total assets are 88,46,780 and total liabilities are 7,02,283. The percentage of liabilities to assets works on the whole at 20.98. Amount the different income ranges, the percentages stand thus :

Income ranges	PERCENTAGE OF LIABILITIES TO ASSETS			
	Rs.	Present Enquiry	Recent City Survey.	
1-54		31.22	29.69	
55-100		31.24	17.97	
101-150		24.88	19.28	11.92
151-200		10.99		
201-250		13.16	6.61	5.87
251-300		5.64		
301-500		4.33		
Over-all percentage		20.98		11.66

Liabilities decline generally in percentage to assets with rising income ranges except in the income range Rs. 55-100, and again in income range Rs. 201-250. But these rises are slight. With assets about five times the liabilities, and with liabilities covering less than three

months' income, the over-all credit-worthiness is much more satisfactory than ordinarily supposed. What is lacking is co-ordination. As stressed in the City Survey, urban co-operation, specially among the low income groups, calls for serious and immediate attention, particularly bearing in mind the proposed fillip to hand industries, cottage industries and small-scale industries.

TABLE XXII

Percentage of Assets to Liabilities and Liabilities to Assets

Sr. No.	Income ranges Rs.	ASSETS		LIABILITIES		PERCENTAGE OF	
		Number of cases	Amount Rs.	Number of cases	Amount Rs.	Assets to liabilities	Liabilities to assets
1	2	3	4	5	6	7	8
1.	1- 54	..	549	4,84,184	460	1,52,624	317.24
2.	55-100	..	986	10,28,666	586	8,21,435	820.02
3.	101-150	..	235	5,08,518	108	1,25,308	401.82
4.	151-200	..	101	2,41,164	43	37,520	909.28
5.	201-250	..	47	2,37,232	26	31,226	759.72
6.	251-300	..	22	1,26,558	11	7,085	1787.62
7.	301-500	..	54	6,25,463	21	27,085	2309.25
			1994	88,46,780	1255	7,02,288	4765.57
							20.98

35. In the recent City Survey, the over-all ratio of liabilities to assets was 0.11 : 1—assets being more than nine times the liabilities, but that Survey included the rich as well as the poor. Taking into account assets and liabilities of income ranges Rs. 1-500, the percentage works at 11.66 compared to 20.98 in the present Enquiry. In other words, the liabilities are about double in percentage compared to assets. The explanation is evident: the excluded classes, particularly Government servants and proprietary workers do have more assets, in the former case consumption durable goods, in the latter producer goods.

CHAPTER VI

Life Insurance.

Life
Insurance
initiative.

36. Only 407 out of 4302 samples have life insurance policies with a total face value of Rs. 12,51,163,* working at 9.46 of samples as shown below ; there is no case of female life insurance :

Income ranges Rs.	No. of samples	No. of insured samples	No. of policies	Percentage of insured total samples
1-54	1927	12	12	0.62
55-100	1700	127	130	7.47
101-150	357	97	103	27.17
151-200	144	68	75	47.22
201-250	71	36	47	50.70
251-300	37	23	42	62.16
301-500	66	44	73	66.66
Total	4302	407	482	9.46

In all the insured cases, insurance agents took the initiative, approached the parties, and took out policies. In no case did the employee volunteer, go to the insurance agent and fill up the papers. Even in insurance office, the initiative was not from the insured.

Varieties of
insurance.

37. Among the 407 insured samples, there are in all 482 policies, all of them endowments. The contract period ranges from 10 years to 35 years, the most popular being 20-25 years. There is one case of 7 policies, and two cases of six each. The smallest policy is for Rs. 500 and the largest for Rs. 25,000.

* Fractions of Rupees hundred are due to conversion to I.G. rupees of policies originally issued in Hyderabad rupee terms.

38. In numerous cases, reasons for not insuring are more than one. If all the reasons should be listed, the over-all picture would become vague. Therefore, the predominant reason only is recorded in each case. According to numerical order, the predominant reasons stand thus :

Reasons
for not
insuring.
Table
XXIII.

		cases
1. Ignorance of life insurance	..	578
2. No saving margin	..	520
3. Literature in unknown language	..	349
4. Laborious process in payment of premiums	..	321
5. Too young by age	..	317
6. Inability of insurance agents to explain		291
7. Fear of lapse	..	245
8. Laborious process in securing loans	..	220
9. No necessity : no dependents	..	213
10. Laborious process in settlement of claims		136
11. Fear of medical examination	..	119
12. Laborious process in taking out policies		118
13. Objection by wives	..	113
14. No credit facilities for punctual payment of premiums	..	112
15. Disbelief in long term contracts	..	87
16. Fear of liquidation of the insurance company	..	74
17. Medically unfit	..	34
18. Religious objection	..	27
19. More reliable avenues of investment	..	12
Total		3895

Most of these impediments to universalisation of insurance could be speedily eradicated with the successful implementation of the nationalisation of insurance,

CHAPTER VI

Life Insurance.

Life
Insurance
initiative.

36. Only 407 out of 4802 samples have life insurance policies with a total face value of Rs. 12,51,163,* working at 9.46 of samples as shown below; there is no case of female life insurance :

Income ranges Rs.	No. of samples	No. of insured samples	No. of policies	Percentage of insured total samples
1-54	1927	12	12	0.62
55-100	1700	127	130	7.47
101-150	357	97	103	27.17
151-200	144	68	75	47.22
201-250	71	36	47	50.70
251-300	37	23	42	62.16
301-500	66	44	73	66.66
Total	4802	407	482	9.46

In all the insured cases, insurance agents took the initiative, approached the parties, and took out policies. In no case did the employee volunteer, go to the insurance agent and fill up the papers. Even in insurance office, the initiative was not from the insured.

Varieties of
insurance.

37. Among the 407 insured samples, there are in all 482 policies, all of them endowments. The contract period ranges from 10 years to 35 years, the most popular being 20-25 years. There is one case of 7 policies, and two cases of six each. The smallest policy is for Rs. 500 and the largest for Rs. 25,000.

* Fractions of Rupees hundred are due to conversion to I.G. rupees of policies originally issued in Hyderabad rupee terms.

38. In numerous cases, reasons for not insuring are more than one. If all the reasons should be listed, the over-all picture would become vague. Therefore, the predominant reason only is recorded in each case. According to numerical order, the predominant reasons stand thus :

		cases
1. Ignorance of life insurance	..	578
2. No saving margin	..	520
3. Literature in unknown language	..	349
4. Laborious process in payment of premiums	..	321
5. Too young by age	..	317
6. Inability of insurance agents to explain	..	291
7. Fear of lapse	..	245
8. Laborious process in securing loans	..	229
9. No necessity : no dependents	..	213
10. Laborious process in settlement of claims	..	186
11. Fear of medical examination	..	119
12. Laborious process in taking out policies	..	118
13. Objection by wives	..	113
14. No credit facilities for punctual payment of premiums	..	112
15. Disbelief in long term contracts	..	87
16. Fear of liquidation of the insurance company	..	74
17. Medically unfit	..	34
18. Religious objection	..	27
19. More reliable avenues of investment	..	12
Total		3895

Most of these impediments to universalisation of insurance could be speedily eradicated with the successful implementation of the nationalisation of insurance,

TABLE XXIII

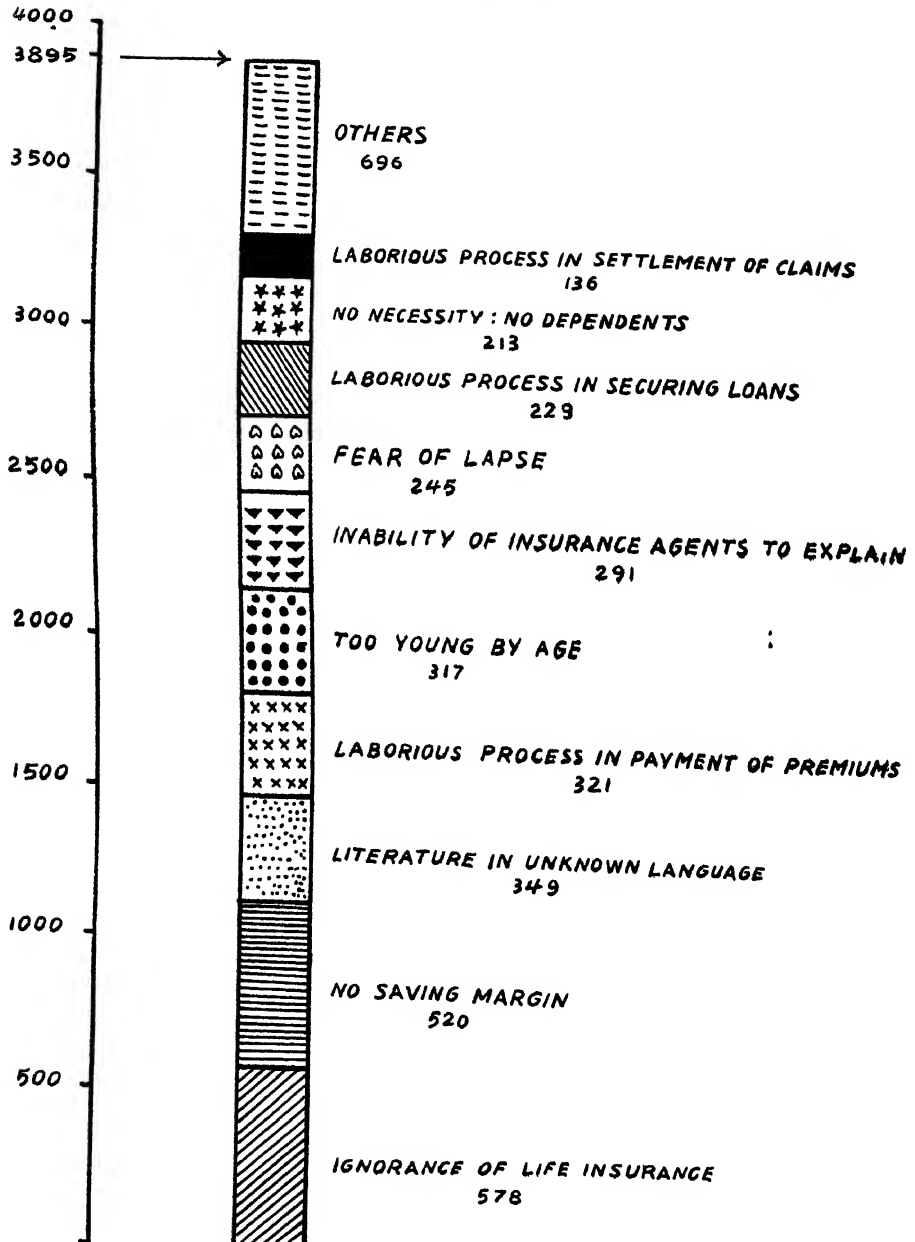
Reasons for not Insuring: Income Ranges

Sl. No.	Reasons for not Insuring	No. of Cases in Income Ranges R ⁿ .									
										Total	
		1-54	55-100	101-150	151-200	201-250	251-300	301-500			
1	2	3	4	5	6	7	8	9	10		
1.	Ignorance of life insurance ..	281	262	15	11	6	2	1	578		
2.	No saving margin ..	231	264	2	11	9	..	3	520		
3.	Literature in unknown language ..	140	161	23	18	4	..	3	349		
4.	Liaborious process in payment of Premiums ..	129	167	18	6	..	1	..	321		
5.	Too young by age ..	249	59	8	2	3	1	..	317		
6.	Inability of Insurance Agents to explain ..	237	32	11	7	4	..	..	291	
7.	Fear of lapse ..	161	74	5	5	..	..	..	245	
8.	Laborious process in securing loan ..	77	107	33	5	5	2	..	229		
9.	No necessity : no dependents. ..	75	99	39	..	..	..	..	213	
10.	Laborious process in settlement of claims ..	30	65	27	8	3	1	2	186		
11.	Fear of medical examination ..	63	45	8	..	..	2	1	119	
12.	Laborious process in taking out policies ..	68	42	7	..	..	1	..	118	
13.	Objections by wives ..	24	45	42	..	..	..	2	118	
14.	No credit facilities for punctual payment of premiums ..	55	46	11	..	..	..	..	112	
15.	Disbelief in long term contract ..	51	32	1	1	1	1	1	87		

16. Fear of liquidation of insurance companies	..	..	25	39	8	2	..	..	..	74
17. More reliable avenues of investment	..	..	..	..	..	..	..	3	9	12
18. Medically unfit	..	..	8	22	3	..	..	..	1	34
19. Religious objection	..	..	11	12	4	..	..	..	..	27
<hr/>										
Total	..	1,915	1,573	260	76	35	14	22	3,395	

MAIN REASONS FOR NOT INSURING

REF: PARA 38



39. The percentage of insured persons rises with a rise in the income range, but the variation extends from 0.62 per cent to 66.66 per cent. The income range Rs. 1-100 has hardly been touched by insurance companies, State Life Insurance not being open to employees in shops and establishments and commercial offices.

Insured
employees.

Table
XXIV.

TABLE

Insurance Amount—Size Group of insured and Non-

Srl. No.	Income ranges Rs.	SIZE GROUP 1 INMATES					SIZE GROUP 2 INMATES					
		A	B	C	D	E	A	B	C	D	E	
1	2	3	4	5	6	7	8	9	10	11	12	
1.	1- 54	..	758	758	2	2	3,000	313	626	2	4	2,500
2.	55-100	..	281	281	26	26	33,000	184	368	16	32	19,500
3.	101-150	..	42	42	15	15	42,800	31	62	7	14	18,500
4.	151-200	..	8	8	3	3	18,500	4	8	4	8	16,500
5.	201-250	..	10	10	7	7	69,000	6	12	3	6	6,500
6.	251-300	..	3	3	..	..	..	3	6	1	2	10,000
7.	301-500	..	2	2	1	1	2,000	2	4	1	2	8,000
Total		..	1,104	1,104	54	54	1,68,300	543	1,086	34	68	81,500

Note.—A—Total number of samples.
 B—Total number of inmates.
 C—Number of insured samples.
 D—Number of inmates in the insured household.
 E—Amount of policy value.

XXIV.

Insured Households (Unit : Sample Employee)

SIZE GROUP 3 INMATES					SIZE GROUP 4 INMATES				
A	B	C	D	E	A	B	C	D	E
13	14	15	16	17	18	19	20	21	22
258	774	5	15	5,000	273	1,092	..	..	..
231	693	13	39	2,1500	298	1,192	29	116	42,500
32	96	7	21	20,500	70	280	25	100	49,000
20	60	11	33	43,500	20	80	10	40	34,000
6	18	2	6	11,000	8	32	5	20	15,100
7	21	7	21	51,500	1	4	..	..	..
6	18	4	12	19,500	8	32	5	20	22,000
560	1,680	49	147	1,72,500	678	2,712	74	296	1,62,800

TABLE XXIV—

SIZE GROUP 5-8 INMATES					SIZE GROUP 9-12 INMATES				
A	B	C	D	E	A	B	C	D	E
28	24	25	26	27	28	29	30	31	32
808	1608	2	11	2,500	16	156	1	9	1,000
646	3506	38	232	53,100	57	557	5	43	8,000
150	997	39	256	91,153	30	292	4	39	14,000
68	402	34	194	85,860	21	214	5	52	12,000
26	170	14	78	51,500	11	103	5	49	15,000
18	104	13	79	1,03,000	5	53	2	23	4,500
36	223	24	129	1,59,950	10	107	7	76	40,700
1252	7005	164	979	5,52,063	150	1482	29	296	95,200

(Contd.).

SIZE GROUP OVER 12 INMATES					TOTAL				
A	B	C	D	E	A	B	C	D	E
88	84	35	86	87	88	89	40	41	42
1	14	..	..	..	1,927	5,023	12	41	14,000
3	40	..	..	..	1,700	6,637	127	493	1,82,600
2	28	..	..	..	357	1,797	97	445	2,85,953
3	45	1	13	6,000	144	817	68	343	2,16,360
4	56	..	..	..	71	401	36	166	1,68,100
..	..	..	..	..	37	191	23	125	1,69,000
2	31	2	31	13,000	66	417	44	271	2,65,150
15	214	3	44	19,000	4,302	15,283	407	1,834	12,51,168*

Note.—A—Total number of samples.

B—Total number of inmates.

C—Number of insured samples.

D—Number of inmates in the insured households.

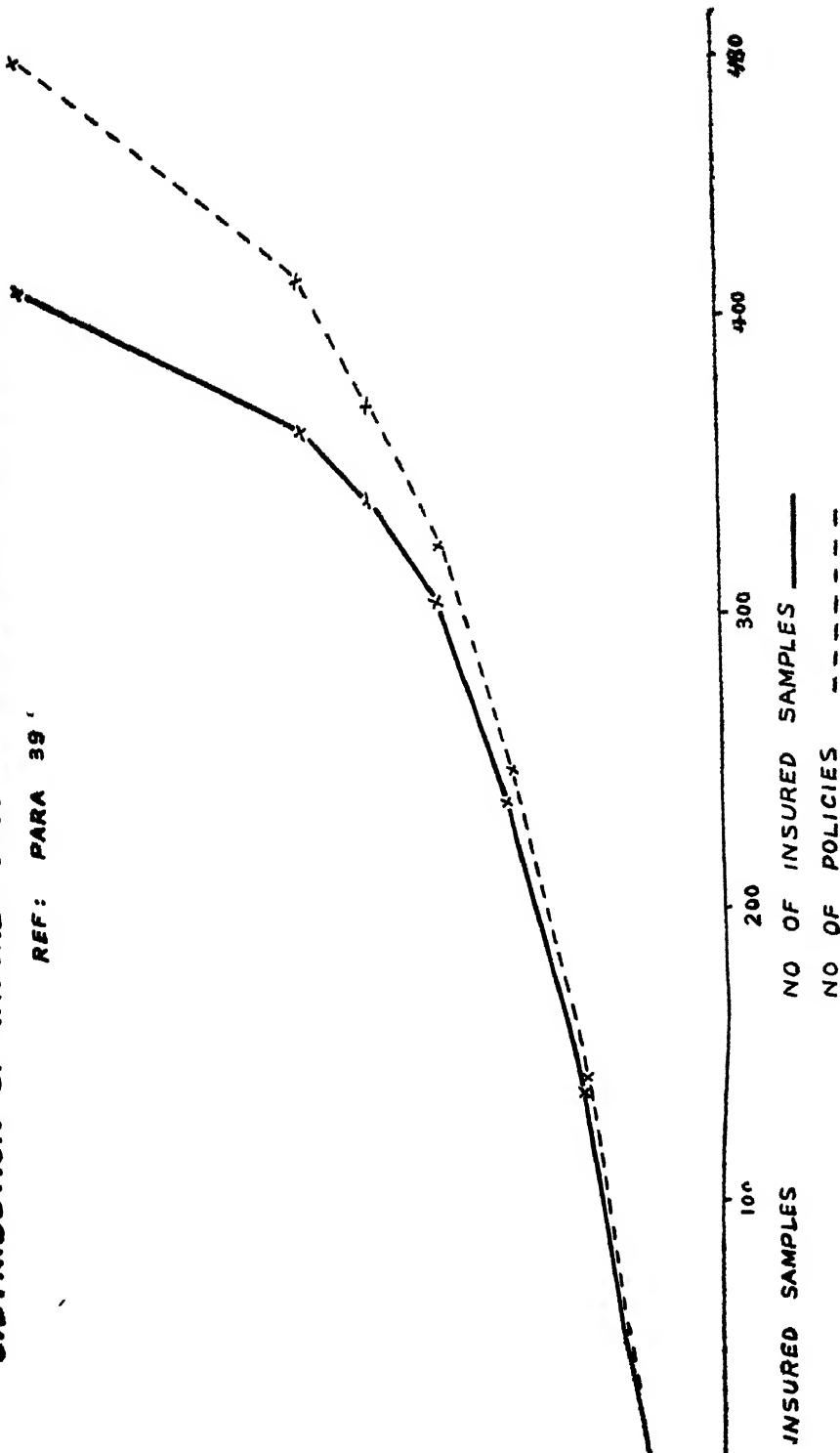
E—Amount of policy value.

(*)—Fractions of Rs. 100 are due to conversion in to India Government rupees of policies originally issued in Hyderabad rupee terms.

Income ranges Rs.	Average value of policy per insured sample	Per capita protection for insured households	Average value of policy for all the samples	Per capita for all samples (4,302 sample, 15,283 inmates)
1	2	3	4	5
1—54	1166.66	341.46	7.26	2.78
55—100	1437.79	370.39	107.41	27.51
101—150	2432.51	530.23	660.93	131.30
151—200	3181.76	630.78	1502.50	264.82
201—250	4669.44	1012.65	2367.60	414.21
251—300	7347.82	1352.00	4567.56	834.21
301—500	6026.14	978.41	4017.43	635.85
On the whole ..	3074.11	664.09	290.83	31.86

DISTRIBUTION OF INSURED AMONG DIFFERENT INCOME RANGES.

REF: PARA 39



40. Samples from commercial offices number 437 out of whom 163 are insured. Here again, the percentage of insured to non-insured samples works higher (37.30) than among samples from shops and establishments (6.31), the over-all percentage being (9.46). Per capita, insurance protection among commercial offices works at Rs. 676.08, among shops and establishments at Rs. 665.00, the general per capita protection being Rs. 664.09 (among insured households). The consciousness of the double benefit of life insurance, namely, protection against risk, and saving, is decidedly of a higher order among employees in commercial offices (including insurance companies). The following table confirms the same trend as in para 50 *infra*, namely, the proportion of protected samples increases as the income range rises :

Life insurance in shops and establishments, and commercial offices.
Table XXV

Income ranges Rs.	No. of samples.	No. of insured samples.	Policy Amounts	% of Col. 3 to Col. 2
(1)	(2)	(3)	(4)	(5)
1- 54	45	1	1,000	2.22
55-100	145	43	47,000	29.65
101-150	86	28	71,153	32.56
151-200	58	28	1,06,000	48.28
201-250	33	16	62,500	48.48
251-300	24	17	1,05,500	62.52
301-500	46	30	1,56,500	65.21
Total ..	437	163	5,49,653	37.30

The average policy amount per insured sample works at Rs. 3372.10, the respective figures being Rs. 3282.62 for insured samples in insurance companies, and Rs. 3074.11 among all insured samples. In other words, commercial offices on the whole show a superior position in quantity of protection. Average protection

per sample works at Rs. 2875.04 among insured samples in shops and establishments. The percentage of insured cases to total samples works at 37.30 in commercial offices, 6.31 in shops and establishments, the general percentage being 9.46. By income ranges the average policy amount for samples in commercial offices and in shops and establishments work at :

Income ranges Rs.	Average insurance amount in com- mercial offices Rs.	Average in- surance amount in shops and establishments Rs.
1 -54	1000.00	1181.81
55- 100	1093.02	1614.29
101-150	2541.18	2388.40
151- 200	3785.71	2751.00
201-250	3906.25	5280.00
251-300	6202.88	10583.33
301-500	5216.66	7760.71
On the whole	3372.10	2875.04

In both categories, there is a decline in average policy amount in income range Rs. 301-500 compared to income range Rs. 251-300. This is explained by two factors, namely, (1) this range contributes more to provident fund than lower ranges (see Table LI) and (2) this range resorts to other kinds of saving like jewels, deposits and house building (see Table XVI).

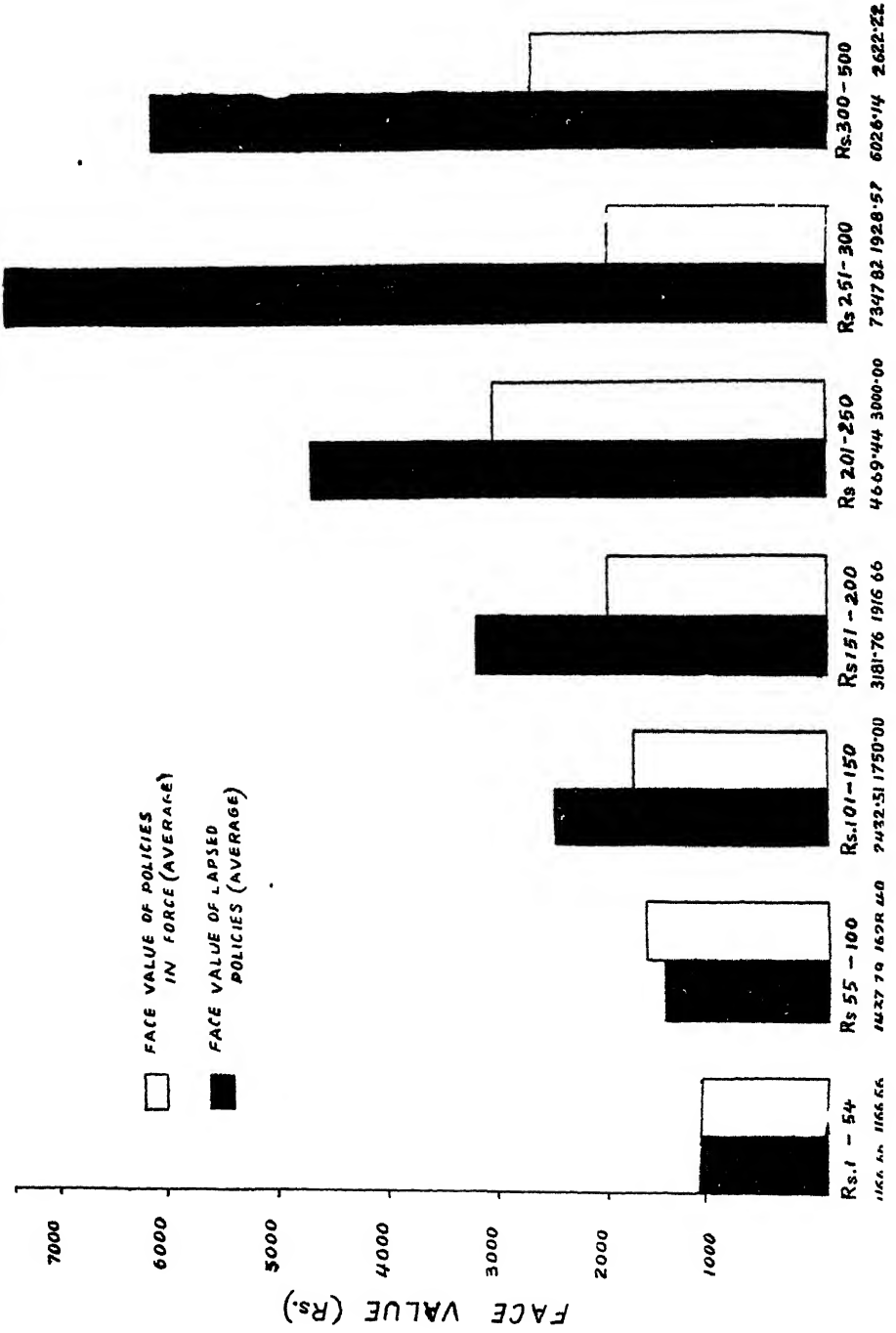
TABLE XXV.

Insurance Policies in Shops and Establishments and Commercial Officers :- Income Ranges

Income ranges Rs.	NUMBER OF INSURED SAMPLES AND POLICY FACE VALUES									
	OFFICES		SHOPS & ESTABLISHMENTS				TOTAL			
	No.	Amount Rs.	Average Rs.	No.	Amount Rs.	Average Rs.	No.	Amount Rs.	Average Rs.	
	3	4	5	6	7	8	9	10	11	
1. 1-54	..	1,000	1000.00	11	13,000	1181.81	12	14,000	1166.66	
2. 55-100	..	47,000	1093.02	84	1,35,600	1614.29	127	1,82,600	1437.79	
3. 101-150	..	71,153	2541.18	69	1,64,800	2388.40	97	2,35,953	2432.51	
4. 151-200	..	1,06,000	3785.71	40	1,10,360	2759.00	68	2,16,360	3181.76	
5. 201-250	..	62,500	3906.25	20	1,05,600	5280.00	36	1,68,100	4669.44	
6. 251-300	..	1,05,500	6205.88	6	63,500	10588.33	28	1,69,000	7347.82	
7. 301-500	..	1,56,500	5216.66	14	1,08,650	7760.71	44	2,65,150	6026.14	
Total ..	163	5,49,653	3372.10	244	7,01,510	28,75,104	407	12,51,163	8074.11	
Percentage to Total ..	40.05	48.98	..	59.95	56.07	..	..	..	..

AVERAGE FACE VALUE OF (1) POLICIES IN FORCE AND (2) LAPSED POLICIES.

REF. PARAS 40 & 61



41. Out of 4802 samples, 107 are employed in insurance companies. Out of these, 66 are insured. Numerically, 9.46% of samples are insured on the whole but 61.68% among insurance companies, and 6.31% among employees in shops and establishments. Average protection among insured samples is Rs. 3074.11 while the same figure works at Rs. 3282.62 in insurance companies, and Rs. 3063.08 among other insured persons. Per capita insurance protection works at Rs. 81.86 in general, Rs. 708.01 among samples from insurance companies and Rs. 664.09 among all the insured put together. The necessity for life insurance is better understood among employees of insurance companies than among other employees. The following figures show that, even among samples from insurance companies, life insurance is resorted to in more cases in upper income ranges, proportionately speaking, the evident reasons being, primarily, capacity to pay premiums, and the sense of responsibility, secondarily :

Life protection among insurance companies' employees.
Table XXVI

Income ranges Rs.	Total No. of samples	No of insured samples	Face value of policies Rs.	Percentage of insured samples to total insured samples
1- 54	.. 18	1	1,000	7.69
55-100	.. 20	11	12,500	55.00
101-150	.. 33	20	56,653	69.69
151-200	.. 12	10	31,000	83.33
201-250	.. 6	5	20,000	83.33
251-300	.. 7	5	24,000	71.43
301-500	.. 16	14	71,500	87.50
Total ..	107	66	2,16,653	61.68

TABLE XXVI

Insurance in Insurance Offices

Srl. No.	Income Ranges Rs.	INSURED SAMPLES		Samples having no insurance	Total No. of samples in insurance offices	No. of inmates in insured households	Per Capita protection among insured households Rs.
		No.	Amount Rs.				
1	2	3	4	5	6	7	8
1.	1- 54	..	1	1,000	12	13	333.33
2.	55-100	..	11	12,500	9	20	265.95
3.	101-150	..	20	56,653	13	33	717.12
4.	151-200	..	10	31,000	2	12	738.10
5.	201-250	..	5	20,000	1	6	909.09
6.	251-300	..	5	24,000	2	7	750.00
7.	301-500	..	14	71,500	2	16	882.71
Total		..	66	2,16,653	41	107	708.01

Relative position of protection as among (1) shops and establishments, (2) commercial offices, (3) insurance office employees, and (4) over-all.
Table XXVII

42. Respectively, per capita protection among insured households works at:

	Per capita protection in Rupees
Shops & establishments	.. 655.00
Commercial offices	.. 676.08
Insurance office employees	.. 708.01
All insured	.. 664.09
Over-all (including 4302 samples)	.. 81.86

Insurance office employees are best off in this aspect, but to some extent, administrative influence appears to be responsible for this. Commercial offices (2152 inmates) and Shops and Establishments (13,132 inmates) treated separately, per capita insurance protection works at

TABLE XXVII

Relative position of per capita Insurance with regard to different categories by Income Ranges and on the whole

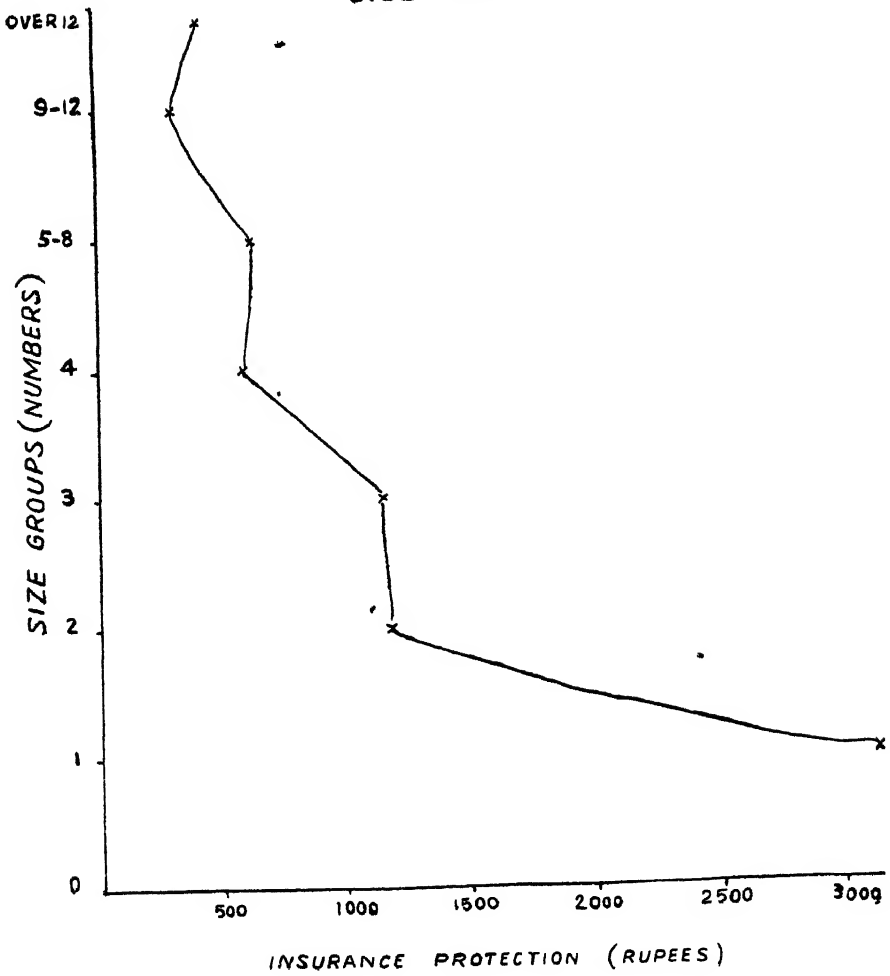
Srl. No.	Income Ranges Rs.	For all samples (4802) households, 15283 inmates Rs.	For Insured households 407 households, 1884 inmates Rs.	In Shops and Establishments 244 households, 1071 inmates Rs.	Commercial offices including insurance offices : 168 households 818 inmates Rs.	Insurance offices only 66 households, 306 inmates Rs.
1	2	3	4	5	6	7
1.	1- 54	.. 2.78	841.46	842.11	833.33	833.88
2.	55-100	.. 27.51	370.39	461.22	236.18	265.95
3.	101-150	.. 131.30	530.23	515.00	569.22	717.12
4.	151-200	.. 264.82	630.78	503.93	854.84	738.10
5.	201-250	.. 414.21	1012.65	1320.00	726.74	909.09
6.	251-300	.. 884.21	1352.00	1543.78	1255.95	750.00
7.	301-500	.. 635.85	978.41	1375.32	315.10	882.71
On the whole		.. 81.86	664.09	655.00	676.03	708.01

43. The average protection per capita for each size group is given below :

Size group	Life protection per capita among insured households	Life protection by size groups of households.
1 ..	3116.67	Table XXIV.
2 ..	1198.52	
3 ..	1173.47	
4 ..	549.33	
5-8 ..	563.90	
9-12 ..	321.62	
Over 12 ..	431.81	
Over-all ..	664.09	

As the household becomes larger, per capita protection tends to become smaller except for households with over 12 inmates each, but the concerned households

**PER CAPITA INSURANCE PROTECTION AMONG INSURED HOUSEHOLDS
AND
SIZE GROUP**



(only 3) are in upper income groups. As a matter of fact, protection per capita should tend to become larger as the size group advances, on account of numerous items to be covered by overheads.

14. Analysed by age, the figures are :

Age group (years)	Total No. of samples	No. of samples insured	Percentage of insured samples to total samples	Policy amount Rs.	Average policy amount per in- sured Rs.	Percentage of policy amount total policy to amount	Insurance policies a age group Table XXVIII.
1	2	3	4	5	6	7	
Years							
6-12	..	17	..	..	..	..
11-21	..	1,149	25	2.26	47,500	1900.00	3.79
22-40	..	2,623	318	12.12	9,88,413	3108.21	78.99
41-55	..	435	60	13.79	2,01,730	3362.50	16.14
56-70	..	75	4	5.33	13,500	3373.00	1.08
Over 70	..	8	..	..	..	..	..
Total	..	4,302	407	9.46	12,51,163	3074.11	100.00

The highest number of policies as also the highest value of policies occur in the age group 22-40, followed by 41-55. The age range 55-70 has only 4 cases. This shows that life insurance facilities are practically non-existent (except in a few foreign companies working in India). There is no reason why Indian companies would not extend life insurance facilities up to the age of 65 when foreign companies go up to this limit in their operations in this country. In the age range 22-40, it is noteworthy that out of a total of 318, 101 are insured in the income range Rs. 55-100, 78 in the income range Rs. 101-150, and 32 in the income range Rs. 301-500. Life insurance in the income range Rs. 1-54 is practically not there: even Hyderabad Government servants in this income range are not compelled to insure with the Government Life Insurance Department. The glaring factor of insufficient income is there, but the necessity for at least some protection against risk is certainly more glaring. A progress has yet to be made with regard to life insurance for workers in the lowest income range: one or two companies provide for life insurance policies with face values as low as Rs. 100, but satisfactory improvement may be expected hereafter with the nationalisation of life insurance,

TABLE XXVIII.

INSURED SAMPLES AND AGE GROUPS

Income Ranges Rs.	AGE RANGES YEARS														
	6-12 yrs.			13-22 yrs.			22-40 yrs.			41-55 yrs.			56-70 yrs.		
	N	A		N	A		N	A		N	A		N	A	TOTAL
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1-54	1	1,000	8	10,500	3	2,500	..	..	..	..	12	14,000	
55-100	12	19,000	101	1,40,100	13	17,000	1	500	..	..	127	1,82,600	
101-150	8	22,500	78	1,94,953	10	15,500	1	3,000	..	..	97	2,35,953	
151-200	2	3,000	154	1,98,360	11	15,000	1	5,000	..	..	68	2,16,360	
201-251	2	2,000	27	1,35,500	7	30,600	..	..	..	..	36	1,68,100	
251-300	18	1,30,500	5	38,500	..	..	..	..	23	1,60,000	
301-500	32	1,77,500	11	82,650	1	5,000	..	..	44	2,65,150	
Total	25	47,500	318	9,88,413	60	2,01,750	4	13,500	..	..	407	12,51,163	
Percentage to total	6.14		78.14		14.74		0.98		..	..		100.00	

N—Number.
A—Amount insured.

45. As the table shows, insured samples are analysed as follows according to different educational qualifications:

Educational standards	No. of insured samples	Total No. of samples	Percentage of insured to total samples
Illiterate	20	1,812	1.10
Primary	93	1,418	6.55
Secondary	209	839	24.91
Technically qualified (lower)	4	38	10.52
Undergraduates	43	108	39.81
Graduates	35	55	63.63
Post-graduates	1	18	5.55
Technically qualified (higher)	2	14	14.28
Total	407	4,302	9.46

Except post-graduate grade (only one sample), the percentage of insured to total samples rises with higher educational qualifications, the lowest percentage in the case of illiterates, the highest among graduates. By income ranges, 19 out of 20 illiterates are in the income range Rs. 55-100 while 12 out of 35 graduates occur in the income range Rs. 201-250.

TABLE XXIX.

INSURED SAMPLES AND EDUCATIONAL QUALIFICATIONS

Income ranges Rs.	EDUCATIONAL QUALIFICATIONS																				TOTAL
	A		B		C		D		E		F		G		H						
	N	Am.	N	Am.	N	Am.	N	Am.	N	Am.	N	Am.	N	Am.	N	Am.	N	Am.	N	Am.	
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			
1-34	..	..	6	6,500	5	5,500	1	1,000	..	..	..	..	..	..	..	..	12	14,000		
55-100	19	19,000	59	74,000	45	76,600	..	..	3	8,000	1	5,000	..	..	..	..	127	1,82,600		
101-150	1	1,500	13	26,000	70	1,72,800	..	..	8	14,000	5	21,653	..	..	..	..	97	2,35,953		
151-200	..	..	6	8,000	43	1,48,860	..	..	14	41,500	5	18,000	..	..	..	..	68	2,16,860		
201-250	..	..	4	11,000	15	98,100	2	8,000	2	2,000	12	41,000	..	..	1	8,000	36	1,68,100		
251-300	..	..	1	1,000	11	75,000	..	..	5	43,500	5	33,500	..	..	1	7,000	23	1,69,000		
301-350	..	..	4	16,000	20	1,32,650	1	5,000	11	59,500	7	39,000	1	13,000	..	..	44	2,65,150		
Total	..	20	20,500	93	1,42,500	209	7,09,510	4	14,000	43	1,68,500	85	1,58,153	1	13,000	2	15,000	407	12,51,163		

A—Illiterate.

B—Primary.

C—Secondary.

D—Mechanically and technically trained (lower).

E—Under-graduate.

F—Graduate.

G—Post-graduate.

H—Mechanically and technically trained (higher).

N—Number.

AM—Amount.

TABLE XXX.

Insured Employees: Education : Number of inmates.

Educa- tional classifica- tion	INCOME RANGES RS.																Total <div><div>a</div><div>b</div></div>	Strength of the average house- hold	Per capita protec- tion
	1-54		55-100		101-150		151-200		201-250		251-300		301-500		Total				
	a	b	a	b	a	b	a	b	a	b	a	b	a	b	a	b			
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
A	..	..	19	76	1	2	..	..	..	..	..	..	..	..	20	78	20,500	2.90	262.82
B	6	19	59	232	13	82	6	16	4	21	1	3	4	21	93	394	1,42,500	4.24	361.67
C	5	13	45	163	70	298	43	230	15	80	11	6	20	138	209	988	7,09,510	4.73	718.13
D	..	1	..	..	..	..	..	..	2	9	..	..	1	10	4	28	14,000	9.00	500.00
E	..	..	3	10	8	48	14	78	2	9	5	25	11	57	43	227	1,68,500	5.28	742.29
F	..	..	1	12	5	15	5	19	12	42	5	26	7	34	35	149	1,53,153	4.26	1,061.43
G	..	..	..	..	..	..	..	..	..	..	..	..	1	11	1	11	13,000	11.00	118.18
II	..	..	..	..	..	..	..	..	1	4	1	5	..	..	2	9	15,000	4.50	1666.66
Total	12	41	127	493	97	445	68	343	36	166	23	125	44	271	407	1,884	12,51,163	4.62	664.09

note.—A—Illiterate.

B—Primary.

C—Secondary.

D—Mechanically and technically trained (lower).

E—Under-graduate.

F—Graduate.

G—Post-graduate.

H—Mechanically and technically trained (higher).

a—Number of insured samples.

b—Number of inmates in insured households.

Insured
employees
and occu-
pation.

Table XXXI

46. Clerks lead with 158 samples out of 407 insured, followed by Managers and Assistant Managers (67), Menials (44) and Salesmen (43). The smallest number occurs among outfitters (2). By quantity of protection, Managers and Assistant Managers lead with an average face value of Rs. 5132.28 followed by Clerks Rs. 3127.21, Cashiers Rs. 2714.28 and Accountants Rs. 2889.02. The smallest average protection occurs among Menials Rs. 1093.18.

TABLE
Insured Employees

Srl. No.	Occupation	INCOME RANGES							
		1-34		55-100		101-150		151-200	
		N.	A.	N.	A.	N.	A.	N.	A.
1	2	3	4	5	6	7	8	9	10
1.	Clerk ..	6	7,000	37	60,500	48	1,24,000	22	67,500
2.	Menials..	2	2,000	38	39,600	3	5,000	1	1,500
3.	Beareres..	..	..	9	15,500	..	..	..	..
4.	Cashiers	1	1,000	2	2,000	7	19,000	..	..
5.	Cooks ..	..	..	7	10,500	5	6,500	..	..
6.	Salesmen	1	1,500	17	27,000	12	24,000	8	15,000
7.	Mech. & Tech.	1	1,000	2	2,500	5	8,000	8	25,100
8.	Outfitters	1	1,500	1	1,000	..	..	..	..
9.	Managers & Asst. Manage's.	..	..	11	21,000	8	29,953	19	73,760
10.	Accountants	..	..	3	3,000	9	19,500	10	33,500
11.	Others ..	..	..	..	..	..	..	..	..
Total		12	14,000	127	1,82,600	97	2,35,953	68	2,16,360

Note.—N—Number of insured samples.
A—Amount (insurance face value).

XXXI.

and occupation.

RUPEES.								Average protec- tion
201-250		251-300		301-500		Total		
N.	A.	N.	A.	N.	A.	N.	A.	
11	12	13	14	15	16	16	18	19
16	68,100	14	1,09,000	15	58,000	153	4,94,100	3,127.21
..	..	..	..	..	..	44	48,100	1,093.18
..	..	..	..	..	..	9	15,500	1,722.22
2	5,000	..	..	2	11,000	14	38,000	2,714.23
..	..	..	..	..	..	12	17,000	1,416.66
2	7,000	..	..	3	17,500	43	92,000	2,139.53
..	..	..	..	1	2,500	17	39,100	2,300.00
..	..	..	..	..	..	2	2,500	1,250.00
10	70,000	7	42,000	12	1,07,150	67	3,43,863	5,132.28
6	18,000	2	18,000	11	69,000	41	95,900	2,339.02
..
36	1,68,100	23	1,69,000	44	2,65,150	407	12,51,163	3,074.11

Insured em-
ployees and
industry.
Table
XXXII.

47. By industry, Commercial Offices come first (163) followed by Automobile and other machinery (69) and Hotels (35). The smallest number are in Books and Stationery (2). By quantum of average protection, Shoe and Leather stand first with Rs. 6100.00 average, followed by Hardware Rs. 3595.23 and Automobile and other machinery Rs. 3415.22. The smallest average protection is among Tailors Rs. 1000.00.

DISTRIBUTION OF INSURANCE AMONG INDUSTRIES.

(NUMBER OF CASES)

REF: PARA 47

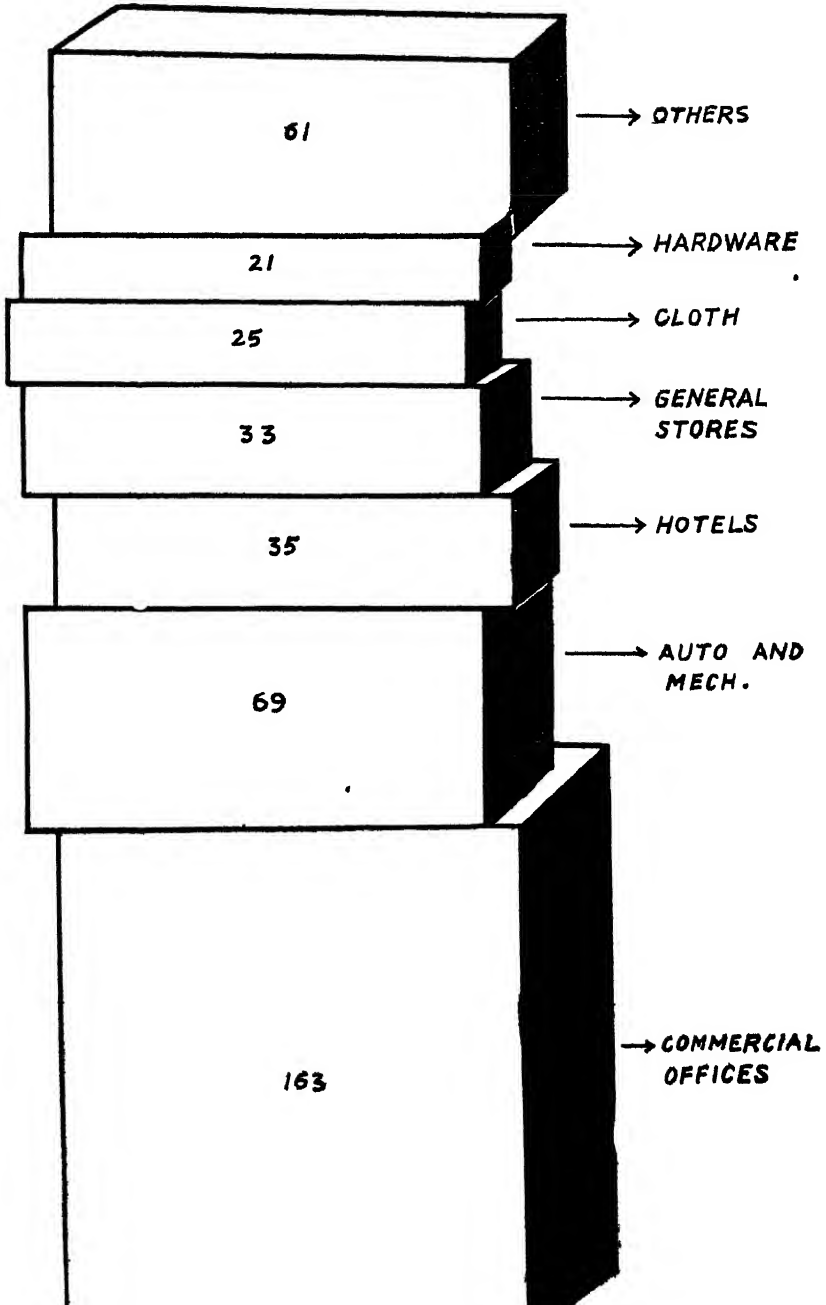


TABLE
Insurance and

		INCOME RANGES								
Srl. No.	Industry	1-54		55-100		101-150		151-200		
		N.	A.	N.	A.	N.	A.	N.	A.	
1	2	3	4	5	6	7	8	9	10	
1.	Cloth ..	1	1,500	6	8,000	5	9,000	5	10,000	
2.	Groceries	1	1,000	1	1,500	2	2,000	..	..
3.	Hotel ..	..	..	18	35,000	12	29,500	2	4,000
4.	General	4	5,500	12	19,000	9	21,800	4	4,360	
5.	Shoe & Leather	..	..	1	1,000	6	17,000	2	8,000
6.	Books & Sta.	..	..	..	..	..	..	2	5,500
7.	Tinkers..	..	..	..	..	..	..	..	..
8.	Tailoring	1	1,000	2	2,000	..	..	..	..
9.	Hardware	1	1,000	8	13,000	4	12,000	1	2,500	
10.	Auto & Mech.	1	1,000	10	17,000	22	45,500	21	70,000	
11.	Medicine	..	..	3	4,500	1	3,000	..	..
12.	Printing press	..	..	5	5,000	3	15,000	2	3,000
13.	Grain ..	1	1,000	5	5,000	1	3,000	1	2,000	
14.	Fruit & Vege.	..	..	6	8,500	..	..	..	..
15.	Miscellaneous	1	1,000	7	16,600	4	7,000	..	..
16.	Commercial offices	1	1,000	43	47,000	28	71,153	28	1,06,000	
Total		..	12	14,000	127	1,82,600	97	2,35,953	68	2,16,300

Note.—N—Number of insured samples.
A—Amount (insurance face value).

XXXII

Industry : income ranges

RUPEES								Average protec- tion
201-250		251-300		301-500		Total		
N.	A.	N.	A.	N.	A.	N.	A.	
11	12	13	14	15	16	17	18	19
8	49,600	..	..	..	..	25	78,100	3,124.00
..	..	..	..	..	..	4	4,500	1,125.00
2	12,000	..	..	1	16,000	35	96,500	2,757.14
2	8,500	1	4,000	1	7,500	33	70,660	2,141.21
..	..	..	..	1	5,000	10	61,000	6,100.00
..	..	..	..	..	..	2	5,500	2,750.00
..
..	..	..	..	..	..	3	3,000	1,000.00
4	22,000	2	16,500	1	7,500	21	75,500	3,595.23
4	13,500	2	29,000	9	59,650	69	2,35,650	3,415.22
..	..	..	..	..	..	4	7,500	1,875.00
..	..	..	..	..	..	10	23,000	2,300.00
..	..	..	..	1	3,000	9	14,000	1,555.55
..	..	..	..	..	..	6	8,500	1,416.66
..	..	1	14,000	..	..	18	38,600	2,969.23
16	62,500	17	1,05,500	30	1,66,500	163	5,59,653	3,365.97
26	1,68,100	23	1,69,000	44	2,65,150	407	12,51,163	3,074.11

48. 407 samples pay Rs. 5,477 monthly premiums (calculated) working at an average of Rs. 13.45 (Rs. 161.40 per annum), the average policy value being Rs. 3,074.11. The percentage of annual premium to policy value works at 5.25 on the average. In the premium range over Rs. 60 per month, 10 cases occur with Rs. 865 out of which Rs. 659 is paid by 7 samples in the income range Rs. 301-500. The total income of 407 samples is Rs. 64,967 per month, and the percentage of monthly insurance premium to total income works at 8.46, the range of variations being 6.81 in the income range Rs. 101-150 and highest 10.81 in the income range Rs. 251-300. 10 per cent of income is considered as generally commensurate in the income ranges included in this Enquiry, and so far as insured samples are concerned, the extent of protection may be considered as not un-satisfactory (the over all percentage being 8.46 in this Enquiry). But it should be remembered here once again that 3895 samples have no life insurance, and the percentage of insurance premiums is zero. Among the different income ranges, the percentage of premium to income stands as follows:

Income ranges Rs.	Percentage of insurance premium to income
1-54	9.17
55-100	7.04
101-150	6.81
151-200	7.76
201-250	8.31
251-300	10.81
301-500	10.31
Over-all	8.46

The percentage is higher in the lowest income group and in Rs. 251-500, and otherwise descends as the income range rises between Rs. 55 and 150. No particular relation between insurance premiums and incomes is discernible: it should be remembered that life insurance

FACE VALUE OF POLICIES IN FORCE

REF: PARA 48

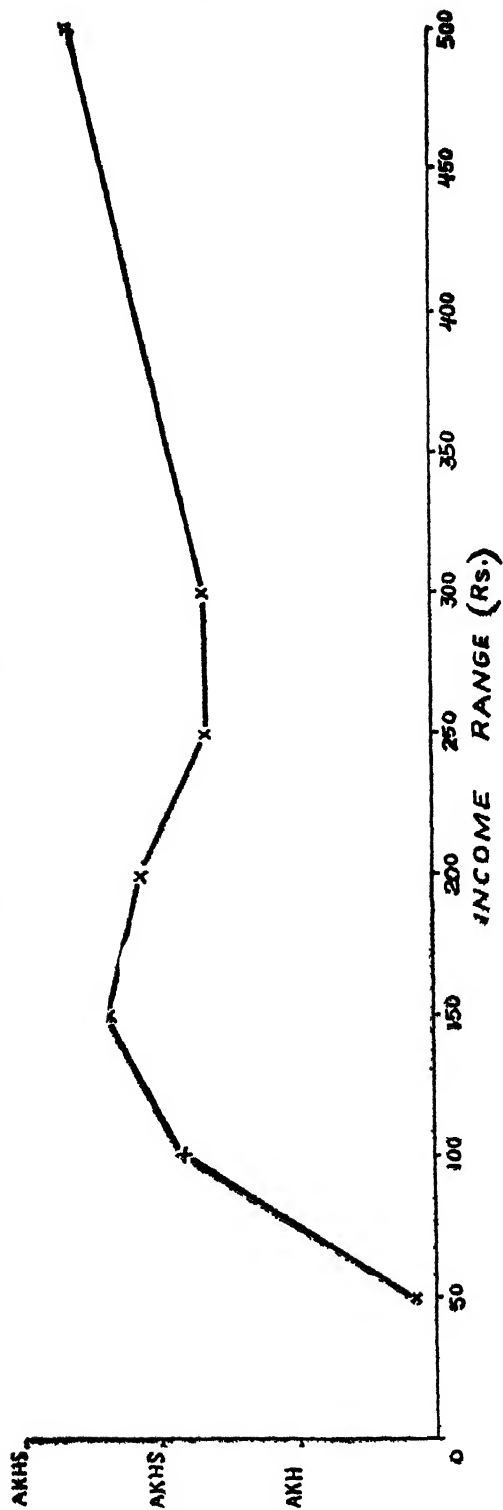
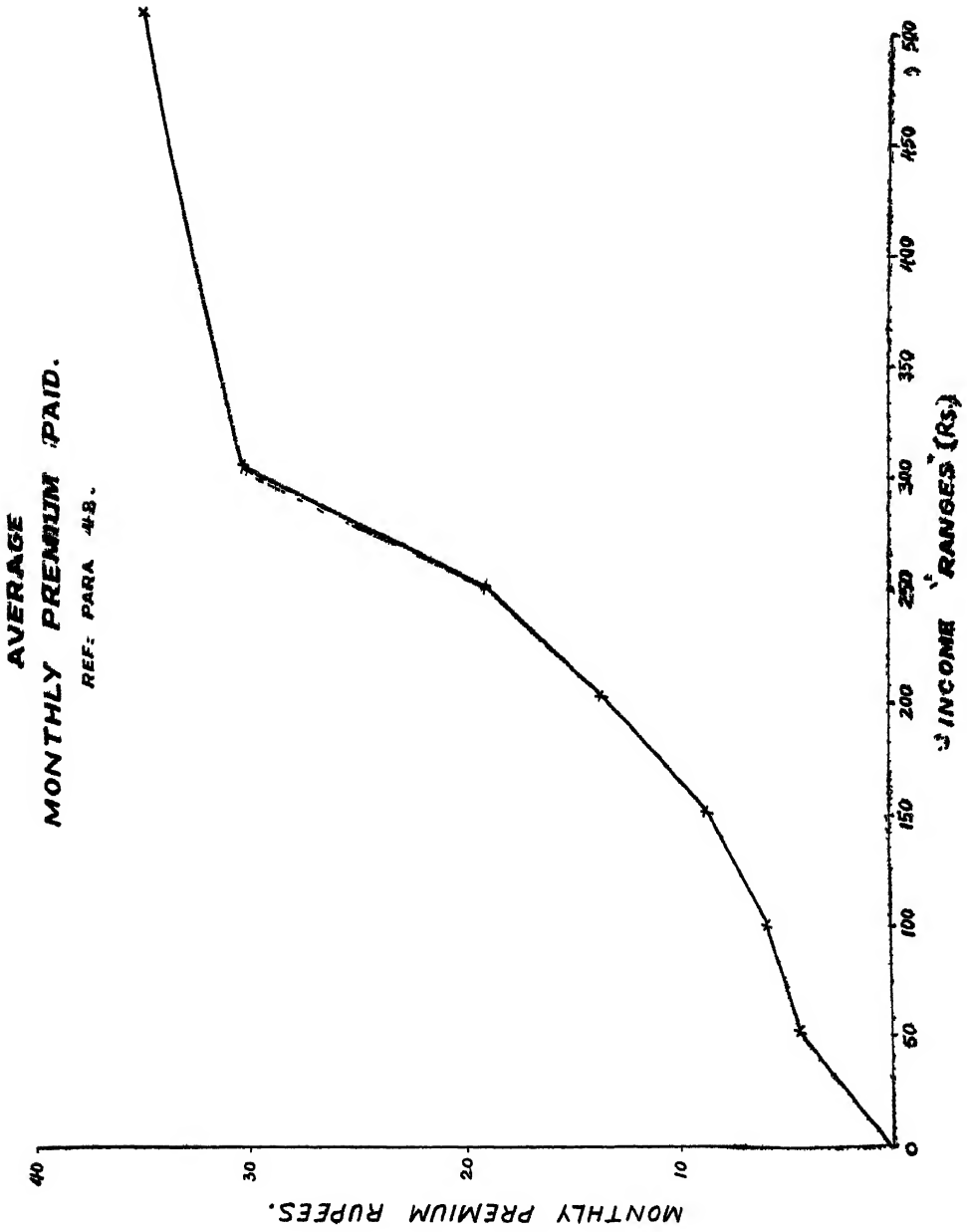


TABLE XXXIII
Monthly Insurance Premiums and Income Ranges

Income Range	MONTHLY PREMIUM																				Average premium paid Rs.		
	Rs. 1-5			Rs. 6-10			Rs. 11-15			Rs. 16-20			Rs. 21-30			Rs. 31-45			Rs. 46-60			Total	
	N		A	N		A	N		A	N		A	N		A	N		A	Over 60				
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21				
1-54	..	10	38	2	14	..	..	..	..	..	..	..	..	..	..	..	12	52	4.33	
55-100	..	78	306	42	315	5	59	..	..	2	40	..	..	..	..	..	127	720	5.67	
101-150	..	37	157	36	284	12	141	4	67	7	141	..	..	..	1	62	97	852	8.57	
151-200	..	5	22	21	178	15	188	19	836	6	150	2	66	..	..	..	68	940	13.82	
201-250	..	1	5	6	50	10	119	10	180	4	94	4	155	..	1	82	36	685	19.02				
251-300	..	1	3	1	9	..	6	114	5	119	6	227	3	158	1	62	23	692	30.09				
301-500	..	1	5	2	17	10	137	6	106	7	180	9	324	2	108	7	659	44	1,536	35.13			
Total	..	133	536	110	867	52	644	45	803	81	724	21	772	5	266	10	865	407	5,477	13.45			

e :—N—Number of cases.

e :—A—Amount of premium (Rs.).



Degree of
protection
and income
ranges.
Table
XXXIV.

49. On the whole, 209 out of 407 insured samples are adequately covered while 198 are cases of inadequacy: in 3895 cases, there is no protection whatever. It is note worthy that good cases occur in all the income groups, the highest number being in Rs. 55-100 income range. Even in the income range Rs. 301-500, there are 22 not insured at all, 4 poorly insured, and 18 insufficiently insured.

TABLE XXXIV

Degree of protection and income ranges

Sr. No.	Income Range		Nil No protection	0-2.5% Poor protection	2.5-7.5% In-sufficient protection	7.5-10% Adequately protected	Above 10% very good cases	Total No. of cases
1	2		3	4	5	6	7	8
1.	1- 54	..	1,915	1	4	4	3	1,927
2.	55-100	..	1,578	5	53	50	19	1,700
3.	101-150	..	260	29	24	36	8	357
4.	151-200	..	76	3	32	30	3	144
5.	201-250	..	35	1	19	10	6	71
6.	251-300	..	14	2	3	8	10	37
7.	301-500	..	22	4	18	9	13	66
	Total	..	3,895	45	158	147	62	4,302

Note :—Percentage of monthly premium to monthly income (degree of protection).

Per capita
protection.
Table XXIV.

50. The average face value of insurance protection per sample works at :

Income Ranges Rs.	Average face value of insu- rance per sample
1-54	.. 1166.66
55-100	.. 1437.79
101-150	.. 2432.51
151-200	.. 3181.76
201-250	.. 4669.44
251-300	.. 7347.82
301-500	.. 6026.14
Over-all	.. 3074.11

As the income range rises, insurance protection also rises on the average except in the Rs. 301-500 group. But this is explained by the fact that provident fund contributions are particularly heavy in this range (Table LI) and a good portion of saving is diverted that way. The average face value goes down from Rs. 3074.11 per insured sample to Rs. 290. 83 for all samples (4302). For 1954, all-India figures are :

Number of policies	..	43,13,000
Face value of policies in force		Rs. 1,058.8 crores
Yearly premium	..	Rs. 50.13 crores.

Taking the population approximately at 360 million, the per capita life insurance protection works at Rs. 29.41 for the whole of India. Even allowing a plus margin for 1955-56, the per capita figure in the present Enquiry is more than two and a half times the Indian average. Once again the fact that certain categories of income receivers have been excluded as also the rural population, accounts for this difference. Putting the minimum protection at Rs. 200 per person, there is a shortage of Rs. 118.14 in this Enquiry, but this shortage assumes much bigger dimensions when it is remembered that the average protection among insured families is Rs. 664.09 per capita, while the protection in 3895 households (13,399 persons) is zero. Per capita figures among different income ranges are as follows :

Income ranges Rs.	Per capita protection per insured households	Per capita protection per inmate of all sample households
1-54	341.46	2.78
55-100	370.39	27.51
101-150	530.23	131.30
151-200	630.78	264.82
201-250	1012.65	414.21
251-300	1352.00	884.21
301-500	978.41	635.85
Over-all	664.09	81.86

The speed of life insurance in the country during the last twelve years has been encouraging although the present situation is absolutely unsatisfactory: The relevant figures are :

Year			Net face value of life insurance in force in India (crores of Rs.)
1948	..	..	378
1950	..	..	780
1951	..	..	873
1952	..	..	916
1953	..	..	962
1954	..	..	1058

Ranges of face values.
Table XXXV.

51. Life policies analysed according to face value stand thus :

Face value ranges Rs.		No. of samples (insured)	Percentage to total insured samples	Face value of policies Rs.	Percentage to total face value
(1)		(2)	(3)	(4)	(5)
1000 and less.	..	150	36.86	1,49,600	11.97
1001-3000	..	187	33.66	3,01,660	24.11
3001-5000	..	59	14.50	2,81,653	22.31
5001-10000	..	30	12.29	3,62,250	28.96
10001-15000	..		1.96	96,000	7.67
15001-20000	..	2	0.4	35,000	2.79
Above 20000	..	1	0.24	25,000	1.99
Total	..	407	100.00	12,51,163	100.00

Number of insured persons goes down as face values go higher. Protection with face values between Rs.1,001 and Rs. 10,000 are popular.

TABLE XXXV.

Face Value of Insurance Protection and Income Ranges

r. to.	Income ranges Rs.	FACE VALUE																TOTAL	
		Rs. 100-1,000		Rs. 1,001-3,000		Rs. 3,001-5,000		Rs. 5,001-10,000		Rs. 10,001-15,000		Rs. 15,001-20,000		Rs. 20,001-25,000		Rs. 25,001-30,000			
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
2		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
1-54	..	9	9,000	3	5,000	..	..	..	..	..	..	..	..	..	..	12	14,000		
55-100	..	91	91,100	28	53,500	8	38,000	..	..	..	..	..	..	..	..	127	1,82,600		
101-150	..	36	85,500	42	96,300	13	60,653	5	31,500	1	12,000	..	..	..	..	97	2,35,953		
151-200	..	10	10,000	35	1,260	12	55,500	11	69,600	..	..	..	..	..	..	68	2,16,360		
201-250	..	3	3,000	16	39,100	8	37,500	8	63,500	..	..	..	..	1	25,000	36	1,68,100		
251-300	..	1	1,000	2	4,000	5	22,000	11	94,000	4	43,000	..	..	..	..	23	1,69,000		
301-500	11	22,500	13	68,000	15	1,03,650	3	36,000	2	35,000	..	..	44	2,65,150		
Total	..	150	1,49,600	137	3,01,660	59	2,31,653	50	3,62,250	8	96,000	2	35,000	1	25,000	407	12,51,163		

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VI

52. Calculations are made, not from the date of the policy, but from the time of Enquiry. Average maturity works at 16.24 years, but it decreases as the age group advances, as shown below :

Age group years	Number of poli- cies	Average matu- rity (years)
6-12	Nil	Nil
13-21	28	23.64
22-40	358	16.82
41-55	92	12.29
56-70	4	2.25
Over 70	Nil	Nil
Over-all	482	16.24

These figures further confirm the fact that life insurance is less and less popular as age advances after 40, although life insurance is admissible upto the age of 65. There is a general tendency for incomes and responsibilities to rise in the age group 41-55 years, and rationally speaking, insurance cases and face value of policies should be proportionately higher in this age group. The present state of affairs appears to be due largely to the comparative incapacity of Agents to explain benefits and advantages to the upper age ranges. Maturity range is 16-20 years in 175 cases out of 482, working at an average of 17.18 years, while in the range of maturity beyond 30 years, there are only 11 cases with an average maturity of 33.00 years. The particular facility in taking out long maturity policies is that a larger policy is possible for a given margin of saving, compared to policies with shorter maturities. But as figures reveal in the table, long period maturities are unpopular. Two reasons explain this. The insured wishes to get the policy amount (in the event of survival) when he is still active enough to invest and administer the policy amount. Secondly, everybody knows that money depreciates as time goes on and the longer the maturity, the smaller is the real value.

TABLE XXXVI
Maturity of Policies and Age Groups.

Maturity ranges (years)	AGE GROUPS (YEARS)															Total		
	18-21			22-40			41-55			56-70								
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
1-2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
1-5	..	5	5	1	64	15	6	186	85	10	41	4	3	246	59	20		
6-10	..	..	..	..	218	213	25	171	189	22	..	..	..	389	402	47		
11-15	..	15	65	5	385	1,099	82	196	522	39	..	..	..	596	1,686	128		
16-20	..	25	185	10	416	2,507	147	45	317	18	..	..	..	486	3,009	175		
21-25	..	6	66	3	172	1,612	78	8	42	2	20	5	1	206	1,725	84		
26-30	..	5	188	3	42	443	16	..	..	..	..	..	..	47	581	19		
Over 30	..	7	208	6	6	134	4	4	26	1	..	..	..	17	363	11		
Total ..	63	662	28	1,303	6,023	858	560	1,181	92	61	9	4	1,087	7,825	462			
Average ..	2.25	23.64	..	3.64	16.82	..	6.08	12.20	..	15.25	2.25	..	4.12	16.24	..			

A.—Number of years since taking out policies.
 B.—Number of years to mature.
 C.—Number of policies.

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 XX VII.

53. As the income range advances, the maturity tends to decrease, specially in the income ranges Rs. 201-500. Otherwise, figures do not call for any comment. The longest average maturity obtains in the income range Rs. 55-100, namely, 19.02 years.

TABLE. XXXVII.

Maturity of Policies and Income Ranges

Income ranges Rs.	MATURITY RANGES (YEARS)																								Total		
	1-5			6-10			11-15			16-20			21-25			26-30			Over 30								
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26			
1-54	..	18	2	1	10	10	1	1	14	1	16	124	7	..	..	..	2	48	2	..	..	..	47	198	12		
55-100	..	68	20	6	55	76	9	87	356	26	115	838	45	56	700	30	18	285	8	7	203	6	406	2,473	130		
101-150	..	60	10	4	74	56	7	118	317	24	105	648	41	47	265	20	12	140	5	2	68	2	418	1,499	103		
51-200	..	5	5	1	93	77	9	154	356	27	94	413	27	37	149	7	5	55	2	5	60	2	398	1,115	75		
201-250	..	13	7	2	62	68	8	94	181	14	27	198	11	23	251	11	6	27	1	..	..	..	225	732	47		
251-300	..	45	10	3	36	44	5	46	169	12	87	274	15	16	134	6	4	26	1	..	..	..	184	662	42		
301-500	..	37	5	3	59	66	7	96	293	22	92	524	29	27	226	10	..	..	..	8	32	1	314	1,146	73		
Total	..	246	59	20	339	402	47	596	1,686	126	436	3,009	175	206	1,725	84	47	581	19	17	363	11	1,987	7,825	482		

Income ranges Rs.		Income ranges Rs.		Average period of maturity (Years).	
1-54	..	1-54	..	16.50	..
55-100	..	55-100	..	19.02	..
101-150	..	101-150	..	14.55	..
151-200	..	151-200	..	14.86	..
201-250	..	201-250	..	15.58	..
251-300	..	251-300	..	15.76	..
301-500	..	301-500	..	15.69	..
Total	..	Total	..	16.24	..

i-A-Number of years since taking out policies.
B-Number of years to mature.
C-Number of policies.

:-A—Number of years since taking out policies.

B—Number of years to mature.

C—Number of policies.

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XVIII.

54. The face value of 482 life insurance policies is Rs. 12,51,163, but the cash value is Rs. 1,71,359, working at 13.69%. 262 policies have no surrender value because two annual premiums have not yet been paid. Table XXXVIII shows cash value ranges, and numbers, income rangewise. Average cash value per policy (excluding policies with no cash value) is Rs. 778.80 while it comes down to Rs. 355.52 for all the 482 policies. As the income range rises, the proportion of policies with cash value to the total number of policies reaches the peak in the income range Rs. 151-200. In the cash value range Rs. 501-1,000, there are 60 policies with a total cash value of Rs. 42,533, while in the upper cash value range of Rs. 1,001-2,000, there are 34 cases with a total cash value of Rs. 46,473. In the lowest cash value range of Rs. 1-100, there are only five policies with a total cash value of Rs. 410. These figures reveal that new insurance cases were many during two years prior to the Enquiry, rather few in between 2-5 years prior, again rising in years prior to that. In other words, there is no accelerating or even uniform progress in life insurance business in the category of employees covered by this Enquiry. Outstanding advances against insurance policies are Rs. 7,231 working at 4.22% of cash value and 0.57% of face value. This light burden against insurance policies is due to (1) the process of borrowing being laborious and coupled with complicated formalities and (2) many policy holders not knowing how much they could borrow at any given time against their respective policies although the policies contain such information.

TABLE XXXVIII.

Cash Value of Policies & Income Ranges

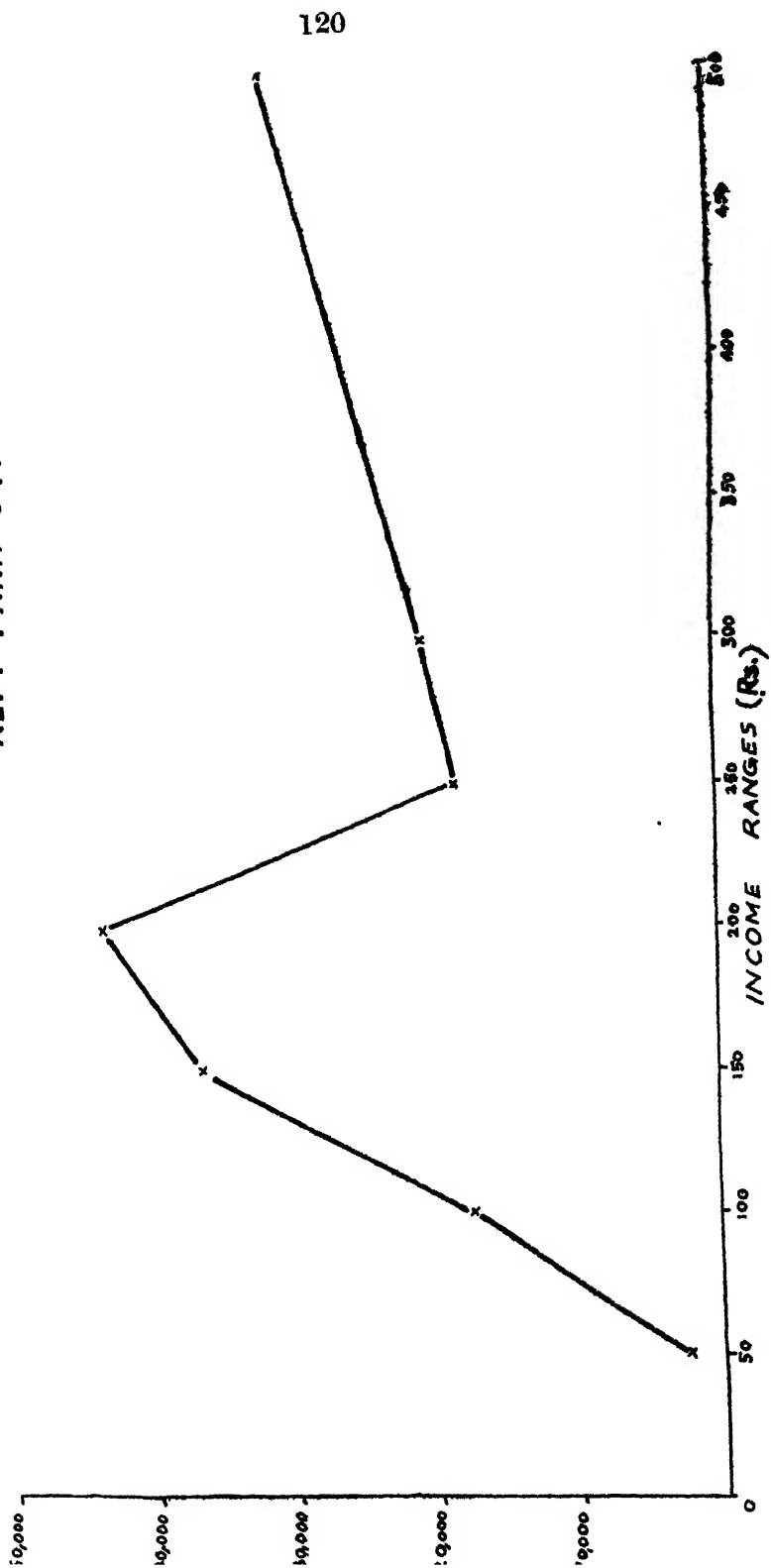
Income Ranges Rs.	1-100		101-800		801-500		501-1000		1001-2000		2001-8000		8001-10000		Policies having no cash value (numbers)		
	CASH		VALUE		RANGES		RUPEES		TOTAL		TOTAL		TOTAL		TOTAL		
	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	A
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1-54	4	488	..	..	1	600	1	1284	..	..	..	..	6	2872	6
55-100	..	4	360	26	4,691	16	6,896	4	2,400	3	3400	..	..	..	53	1,7247	77
101-150	..	1	50	11	2,396	16	6,382	18	12,501	9	10,554	1	2,016	1	3,086	57	36,935
151-200	6	1,540	12	5,130	15	11,532	12	17,015	2	4,892	1	3,086	48	43,685
201-250	8	600	3	1,250	10	5,980	1	1,020	2	4,500	1	5,500	20	18,850
251-300	8	650	2	800	5	4,120	2	4,500	..	..	2	10,500	14	20,570
301-500	2	800	2	900	7	5,400	6	8,100	3	8,600	2	8,400	22	31,700
Total	..	5	410	55	10,665	51	20,858	60	42,533	34	46,473	8	19,943	7	80,472	220	1,71,859
																	262

Note :—N—Number of policies.

A—Cash value amounts (Rs.).

CASH VALUE OF POLICIES

REF: PARA 54.



55. The income, assets, liabilities and policy face values of 407 insured samples are Rs. 64,967, Rs. 10,65,364, Rs. 1,04,618, and Rs. 12,51,163 respectively, working at income 100 : assets 1639 : liabilities 161 : policy face values 1925. The corresponding figures for different income ranges are interesting :

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insurance
protection.
Table
XXXIX.

Income ranges Rs.	Income	Assets	Liabilities	Policy face values	Percentage of liabilities to policy face values
1-54	100	5,616	72	2,469	15.06
55-100	100	2,368	222	1,785	12.48
101-150	100	1,670	145	1,886	7.69
151-200	100	1,079	121	1,485	8.16
201-250	100	1,617	218	2,039	10.44
151-300	100	972	94	2,638	3.56
301-500	100	1,719	150	1,779	8.48
Over-all ..	100	1,689	161	1,295	8.36

It is only in income range Rs. 1-54 that the proportion of liabilities to policy face value is as high as 15.06%. Otherwise, the provision against risk is satisfactory compared to liabilities. But this observation holds good only with regard to insured samples. The over-all percentage of liabilities (4302 samples) to policy face value works at 56.13. Bearing in mind the due margin to be allowed for lapses and paid-ups in the future, this percentage is highly unsatisfactory. If all the 4302 samples had been insured at proportions obtaining among the 407 insured samples, the face value of the policies in force would have been Rs. 132.24 lakhs, more than ten times the present face value.

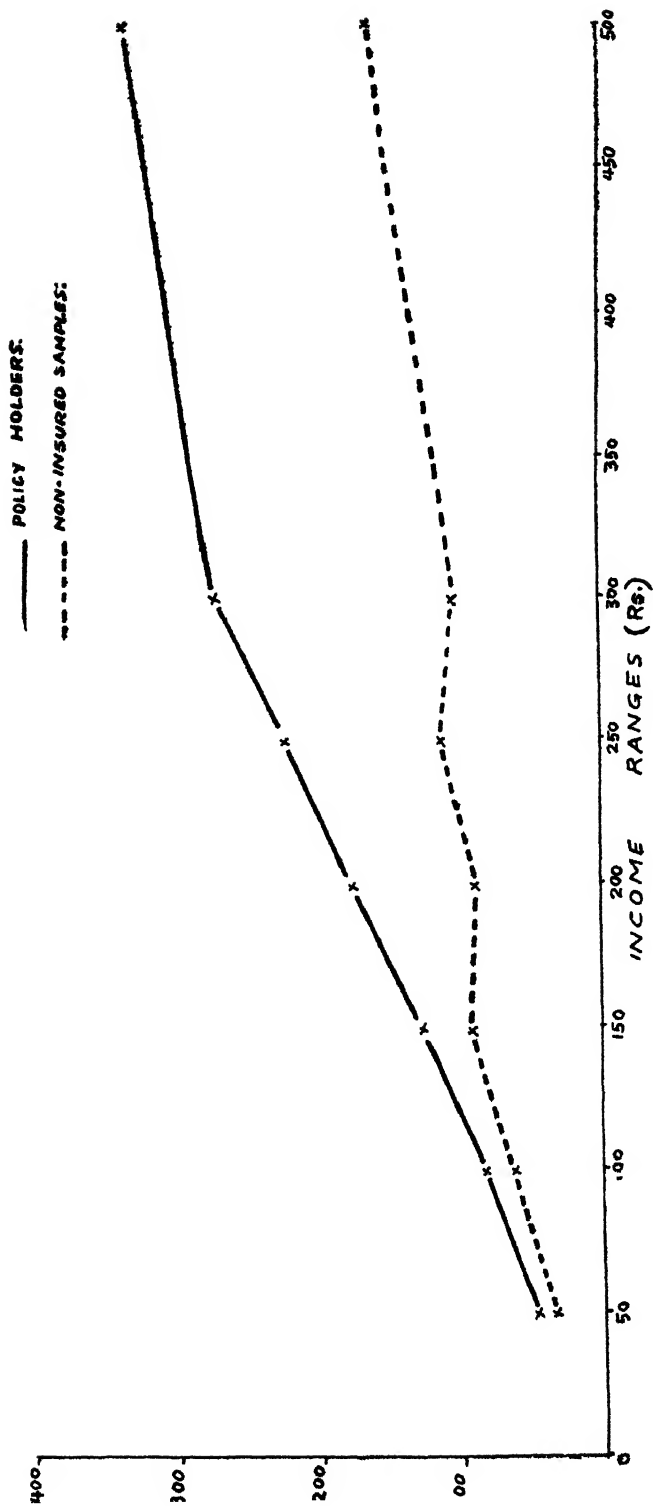
TABLE XXXIX

Income, Assets, Liabilities and Insurance Protection

Sl. No.	Income ranges Rs.	No. of insured Samples	Income Rs.	Assets Rs.	Liabilities Rs.	Face value Rs.	Monthly premium Rs.	Percentage of monthly premium to				Percentage of policy value to
								Income	Liability	Income	Liability	
1	2	3	4	5	6	7	8	9	10	11	12	
1.	1-54	..	12	567	31 847	2 200	14,000	52	9.17	2.36	2469.13	636.66
2.	55-100	..	127	10,226	2,42,192	22 687	1,82,600	720	7.04	3.17	1785.64	804.87
3.	101-150	..	97	12,508	2,08 965	18,228	2,35,953	852	6.81	4.67	1886.41	1310.96
4.	151-200	..	68	12,120	1,30,695	15,675	2,16,360	940	7.76	5.99	1485.15	1380.22
5.	201-250	..	36	8,242	1,38,300	17,628	1,68,100	685	8.31	3.88	2039.55	953.58
6.	251-300	..	23	6,404	62,240	6,050	1,69,000	692	10.81	11.27	2638.97	2793.39
7.	301-500	..	44	14,900	2,56,125	22,150	2,65,150	1,536	10.31	6.93	1779.53	1297.06
On the whole		..	407	64,967	10,65,364	1,04,618	12,51,163	5,477	8.46	5.23	1925.00	1195.93

AVERAGE INCOME OF POLICY HOLDERS AND NON-INSURED SAMPLES.

REF: PARAS 20 & 55



56. The size group 5-8 accounts for the largest number of lapses, namely, 47 out of 89. Next in order comes the size group 4 with 13 cases. Lapses in the largest size group are conspicuous by absence. In the size group 9-12, there are 29 insured samples and 10 lapses. The size group 5-8 also leads in number of samples with policies in force (164 out of 407).

TABLE XL.

Lapses and size groups

Sl. No.	Size groups	INCOME RANGES RUPEES																Total
		1-54		55-100		101-150		151-200		201-250		251-300		301-500				
		A	B	A	B	A	B	A	B	A	B	A	B	A	B			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
1.	1	..	1	1	1	1	..	..	..	..	..	..	..	..	..	2	2
2.	2	..	..	..	4	8	..	1	2	..	..	..	..	..	..	5	10
3.	3	..	2	6	3	9	2	6	2	6	1	3	2	6	..	12	36	
4.	4	..	..	..	2	8	3	12	2	8	2	8	2	8	2	18	52
5.	5-8	..	3	19	32	184	4	23	3	18	1	7	3	19	1	47	277	
6.	9-12	..	..	..	2	21	3	31	4	42	..	..	..	..	1	10	104
7.	Over 12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total	..	6	26	44	231	12	72	12	76	4	18	7	38	4	25	89	481	

Note.--A-Number of samples with lapsed policies.

B-Number of inmates in households with lapsed policies.

lapsed and
e
oups.
ble XLI.

57. The largest number of lapses occur in the age group 22-40 (69 out of 89) followed by the age range 41-55 (15 cases), while the smallest number is in the age group 56-70 (1). This indicates the comparatively heavy pressure of household budgets in the age range 22-40, resulting in non-payment of premiums.

TABLE XLI
Lapsed Policies and Age Groups

Sr. No	Income Range, Rs.	AGE			RANGES (YEARS)			Total
		6-12	13-21	22-40	41-55	56-70	Over 70	
1	2	3	4	5	6	7	8	9
1.	1-54	..	..	3	3	.	.	6
2.	55-100	..	3	33	7	1	.	44
3.	101-150	..	1	10	1	..	.	12
4.	151-200	10	2	12
5.	201-250	4	4
6.	251-300	5	2	.	..	7
7.	301-500	..	.	4	4
Total..		..	4	69	15	1	..	89

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ble XLII.

58. From the view point of education, lapses are highest among secondarily qualified (37): samples are too small in number in higher educational groups to warrant any observations. The relative position of samples with policies in force, and samples with lapsed policies among different age ranges, is shown below:

Educational qualification	Number of samples with policies in force	Samples with lapsed policies
Illiterate	..	20
Primary	..	93
Secondary	..	209
Technically qualified (lower)	.	4
Under-graduates	..	43
Graduates	..	35
Post-graduates	..	1
Technically qualified (higher)	..	2
Total	..	407
		89

TABLE XLII
Samples with Lapsed Policies and Education

Sr. No.	Income ranges Rs.	EDUCATIONAL QUALIFICATIONS								Total
		A	B	C	D	E	F	G	H	
1	2	3	4	5	6	7	8	9	10	11
1.	1- 54	.. ..	8	2	..	1	..	..	..	6
2.	55-100	.. 4	21	18	..	..	1	..	..	44
3.	101-150	.. 1	..	7	..	2	2	..	.	12
4.	151-200	.. ..	1	6	..	4	1	..	..	12
5.	201-250	.. ..	..	..	..	2	1	..	1	4
6.	251-300	.. ..	..	3	..	1	2	1	..	7
7.	301-500	.. ..	..	1	..	1		..	..	4
Total..		5	25	37	.	11	9	1	1	89

Note. —A—Illiterate.
 B—Primary.
 C—Secondary.
 D—Technically qualified (lower).
 E—Under-graduates.
 F—Graduates.
 G—Post-graduates.
 H—Technically qualified (higher).

59. According to occupations, Clerks have the largest number of lapses (36). Next in order are salesmen (16). The smallest number of lapses is among Cashiers (1). Even among insured samples (current), Clerks lead with 158. Among Managers and Assistant Managers, there are 67 samples with current insurance while there are only nine lapses.

Lapses and
 occupa-
 tion.
 Table
 XLIII.

TABLE XLIII

Cases with Lapsed Policies and Occupation.

Serial No.	Occupation	NUMBER OF LAPSES IN INCOME RANGES RUPEES							Total
		1-54	55-100	101-150	151-200	201-250	251-300	301-500	
1	2	3	4	5	6	7	8	9	10
1.	Clerks ..	4	9	7	6	2	5	3	36
2.	Menials	..	3	..	1	..	..	..	4
3.	Beareres	..	6	..	..	..	..	..	6
4.	Cashier	1	..	..	..	..	..	..	1
5.	Cooks ..	..	3	..	..	..	..	..	3
6.	Salesmen	1	13	1	1	..	..	..	16
7.	Technicians & Mechanics.	..	4	..	1	..	..	..	5
8.	Outfitters	..	..	..	..	..	..	..	..
9.	Managers & Asst. Managers.	..	3	2	2	2	..	..	9
10.	Accountants	..	2	2	1	..	2	1	8
11.	Others	..	1	..	..	..	..	..	1
	Total	.. 6	44	12	12	4	7	4	89

Lapses and
industry.
Table
XLIV.

60. The relative position of samples with current and lapsed policies respectively is noteworthy in the following industries :

Industry	Total No. of samples	Samples with policies in force	Samples with lapsed policies
Commercial Offices ..	437	163	33
Automobile & other mechinery.	438	69	18
Hotels ..	970	35	13

TABLE XLIV.

Lapses : Industry.

Serial No.	Industry	INCOME RANGES (Rs.)							Total
		1-54	55-100	101-150	151-200	201-250	251-300	301-500	
1	2	3	4	5	6	7	8	9	10
1. Cloth	1	1	1	..	..	..	3
2. Groceries	
3. Hotel	12	..	..	1	..	..	13
4. General Stores		1	7	..	..	..	..	..	8
5. Shoe & Leather	
6. Books & Stationery		..	1	1	..	..	..	..	2
7. Tinkers	
8. Tailoring	
9. Hardware		..	2	..	..	..	1	..	3
10. Auto & Others		2	8	2	4	1	1	..	18
11. Medicine	
12. Printing Presses		..	2	..	..	..	..	..	2
13. Grain Shops		1	..	..	..	1
14. Fruit and Vegetable shops.	
15. Furniture		1	1	..	..	..	..	..	2
16. Miscellaneous		..	3	1	..	..	..	..	4
17. Commercial Offices		2	7	7	6	2	5	4	33
Total		6	44	12	12	4	7	4	89

61. Samples with lapsed policies are 89, face value totalling Rs. 1,58,650, yielding an average of Rs. 1782.58 per sample compared to Rs. 3074.11 average among samples with insurance policies in force. 84 out of 89 cases are in the face value ranges Rs. 100-3000. Among different income ranges, the face value of average lapsed policies is lowest in income range Rs. 1-54 (Rs. 1166.66), highest in the income range Rs. 201-250 (3000.00), while the average in the highest income range works at Rs. 2622.22. The percentage of lapsed policies to policies in force works at 12.68 (face value). The lowest percentage of lapses (numbers) occurs in income range Rs. 301-500 (4.47) and highest in the income range Rs. 55-100 (49.44). By face value, the lowest percentage occurs in income range Rs. 301-500 (3.96) while the highest occurs in income range Rs. 55-100 (33.76). Generally speaking, lapses are not many and involve smaller ranges of face value.

Lapses and
Income
ranges.
Table XLV.

TABLE XLV

Face value of Lapsed Policies-Income Ranges

Sr. Income No. Ranges	FACE VALUE RANGES																		Total	Average face value per sample with lapsed policy
	Rs. 100-1000		Rs. 1001-3000		Rs. 3001-5000		Rs. 5001-10000		Rs. 10001- Rs. 15000		Rs. 15001- 20000		Above Rs. 20,000				A	N		
	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A				
1. 1-54 ..	5	5,000	1	2,000	..	..	..	..	..	..	..	..	..	..	..	..	6	7,000	1166.66
2. 55-100 .	24	22,850	19	38,800	1	5,000	1	6,000	..	..	..	..	..	..	..	..	44	71,650	1628.40
3. 101-150 ..	5	5,000	7	16,000	..	..	..	..	..	..	..	..	..	..	..	..	12	21,000	1750.00
4. 151-200 ..	5	5,000	6	12,000	..	..	1	6,000	..	..	..	..	..	..	..	..	12	23,000	1916.66
5. 201-250	1	1,000	3	7,000	1	4,000	..	..	..	..	..	..	..	..	..	..	4	12,000	8000.00
6. 251-300 ..	1	500	4	5,000	2	8,000	..	..	..	..	..	..	..	..	..	..	7	13,500	1928.57
7. 301-500 ..	..	..	3	5,500	1	5,000	..	..	..	..	..	..	..	..	..	..	4	10,500	2622.22
Total..	41	38,850	48	85,800	5	22,000	2	12,000	..	..	..	..	..	..	..	..	89	1,58,650	1782.58

Note.—N—Number of lapses.
A—Amount (Rs.).

62. Growing consumption expenditure is by far the biggest cause for lapses the household grows in numbers, and consumption expenditure increases per capita, but unaccompanied by corresponding increase in income (68 out of 89). Growing consumption expenditure accounts for all lapses in income range Rs. 1-54, Rs. 151-500 (excepting one case) followed by Rs. 55-100 (28 out of 44). Apparently it looks strange that growing consumption expenditure should cause lapses even in the upper income ranges, but as a matter of fact, the saving margin in all income ranges Rs. 1-500 is insignificant, due to the purchasing power of money going down, the respective standards of life rising, and the nominal wage not keeping pace. The income range Rs. 55-100 shows comparative lack of security in employment because six lapses took place (out of 44) on account of wages becoming lower. The element of indifference is minor in importance. Among other causes out-break of War and stoppage of the operations of foreign companies, and the taking out of new policies leading to lapses of previous ones, the former having been the consequence of pressure of friends and/or cheaper premiums and more economical terms with regard to loans, etc. To some extent, retrenchment led to either unemployment or down-grading of employment.

Causes of
lapses.
Table
XLVI.

TABLE XLVI

Causes of Lapses—Income Ranges

Srl. No.	Income ranges Rs.	Growing consumption expenditure	Down-grading of employment	Unemployment	Indifference.	Liquidation of the Insurance Co.	Quarrel with the Agent	Other causes	Total
1	2	3	4	5	6	7	8	9	10
1.	1—54	6	..	..	..	..	..	..	6
2.	55—100	28	6	3	1	2	..	4	44
3.	101—150	8	..	1	1	1	1	..	12
4.	151—200	12	..	..	..	..	..	..	12
5.	201—250	4	..	..	..	..	..	..	4
6.	251—300	6	..	..	..	..	..	1	7
7.	301—500	4	..	.	..	..	..	..	4
Total		.. 68	6	4	2	8	1	5	89

renewable
non-re-
newable
lapsed
policies.
ble
LVII.

63. Terms for renewing lapsed policies vary widely among different companies: some provide provisions for limited automatic non-forfeiture while others renew on application and payment of premiums due with interest. In this Enquiry, lapses are taken into account after the non-forfeiture clause ceased to operate. Renewable policies number 16 and non-renewable 73. The respective face values are Rs. 36,500 and Rs. 1,22,150. By face value, renewable lapses constitute 23.01% of total lapses. The largest number of renewable lapses occurs in income range Rs. 55-100 (6 out of 16 cases). Face value of renewable lapses is lowest (Rs. 2,500) in income range Rs. 301-500 which means that policies in that income range lapsed in few cases. In the income range Rs. 151-200, the value of renewable lapsed policies is Rs. 10,000. This indicates inability to pay, and the incidence of this burden (payment of premiums) is highest in this popularly called "Middle Class". Practically in all these cases, policies have not been renewed on account of inability to pay.

TABLE XLVII
Renewable and non-Renewable Policies—Income Ranges.

Sl. No.	Income ranges Rs.	RENEWABLE		NON-RENEWABLE		TOTAL		Percentage of renewable to the total lapsed (amount).
		No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	
1	2	3	4	5	6	7	8	9
1.	1—54	..	..	6	7,000	6	7,000	0.00
2.	55—100	6	9,500	38	62,150	44	71,650	13.26
3.	101—150	4	8,000	8	13,000	12	21,000	38.09
4.	101—200	2	10,000	10	18,000	12	28,000	43.48
5.	201—250	1	3,000	3	9,000	4	12,000	25.00
6.	251—300	2	3,500	5	10,000	7	13,500	25.92
7.	301—500	1	2,500	3	8,000	4	10,500	23.81
	Total	16	36,500	73	1,22,150	89	1,58,650	23.01

CHAPTER VII
PROVIDENT FUND.

64. Out of 4302 samples 344 contribute to provident funds, This works at 7.99 percent.

Provident
fund
benefici
ries.

Table
XLVIII

[*Statement.*

TABLE XLVIII.

Employees having Provident Fund—Income Ranges.

Sl. No.	Income range—Rs.	IN OFFICES				IN PRINTING PRESSES				IN FOOTWEAR SHOPS				IN OTHER SHOPS				GRAND TOTAL.			
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	Total	Total
1	2	3	4	5	6	7	8	9	10	11	12	13									
1.	1- 54	..	4	41	32	48	..	..	4	1,764	40	1,887	1,927								
2.	55- 100	..	81	64	10	48	..	..	43	5	1,449	96	1,604	1,700							
3.	101- 150	..	49	47	1	9	6	10	4	231	66	291	357								
4.	151- 200	..	41	17	..	2	2	10	..	72	53	91	144								
5.	201- 250	..	23	10	..	..	1	7	1	29	31	40	71								
6.	251- 300	..	17	7	..	..	..	3	..	10	20	17	37								
7.	301- 500	..	33	13	..	1	..	4	..	15	38	28	66								
Total ..		248	199	48	107	10	82	48	3,570	844	3,958	4,302									

Note.—A—Number of cases having provident fund.

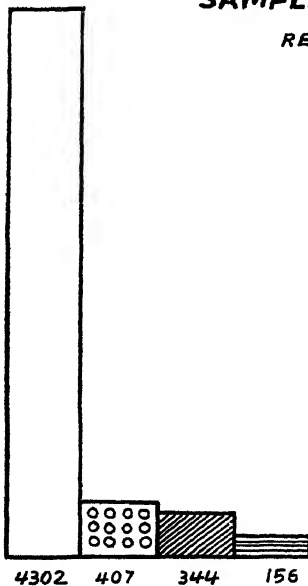
B—Number of cases not having provident fund.

65. Provident fund is comparatively popular among Commercial Offices (437 samples) but even among Shops and Establishments, several big firms do operate provident fund schemes. The Table shows how among only eight big firms, samples examined number 243 out of whom 225 contribute to provident funds, 18 being excluded on account of temporary service, etc. Provident fund applies to all permanent employees in all income ranges up to Rs. 500.

Provident
funds
and big
establish-
ments.
Table
XLIX.

**TOTAL SAMPLES, INSURED SAMPLES PROVIDENT FUND SAMPLES
AND
SAMPLES WITH BOTH**

REF. PARA 65







 TOTAL SAMPLES
 INSURED SAMPLES
 P F SAMPLES
 SAMPLES WITH INSURANCE
AND P F.

TABLE XLIX.
Provident Fund and Big Establishments.—Income Ranges.

Srl. No.	Income ranges Rs.	Nizam Sugar Factory	Azamjahi	Osman-shahi	Hyd. Cons- truction Company	Hyd. Cons- Hyd. Chem. & Ferti- lizers	Oriental Life insu- rance	Marwadi press	Laxmi Insurance	Total
1	2	3	4	5	6	7	8	9	10	11
1.	1. 54	1	..	..	..	..	..	..	32	33
		..	..	..	..	1	..	..	..	1
		1	..	..	..	1	..	..	32	34
2.	55-100	26	9	9	6	3	7	10	3	73
		..	..	..	..	3	..	..	..	3
		26	9	9	6	6	7	10	3	76
3.	101-150	11	2	1	1	4	14	1	..	34
		3	..	..	2	1	..	2	..	8
		14	2	1	3	5	14	3	..	42
4.	151-200	10	4	2	7	..	5	..	..	28
		2	..	..	..	..	..	..	..	2
		12	4	2	7	..	5	..	..	30
5.	201-250	12	2	1	2	1	2	..	..	20
		1	..	..	..	..	..	..	..	1
		13	2	1	2	1	2	..	..	21
6.	251-300	4	1	1	2	1	2	..	..	11
	
		4	1	1	2	1	2	..	..	11
7.	301-500	8	..	3	6	2	5	..	2	26
		3	..	..	..	..	..	..	..	8
		11	..	3	6	2	5	..	2	29
		72	17	17	24	11	35	11	37	225
		9	..	..	2	5	..	2	..	18
Total		81	17	17	26	16	35	13	37	243

Note.—A—Number of cases having provident fund. B—Number of cases not having provident fund. C—Total number of cases.

66. Provident fund is pure saving while life insurance includes risk also. Provident fund credits amount to Rs. 2,82,218 working at 9.74 per cent compared to total assets of all the samples. 248 cases occur in Commercial Offices, 43 in Printing Presses, 10 in Footwear, and 43 in other shops. 96 cases occur in the income range Rs. 55-100. Out of these 96, Commercial Offices account for 81.33 out of 38 cases in income range Rs. 301-500, occur in Commercial Offices. In other words, provident fund arrangements are largely prevalent in Commercial Offices (248 contribute to provident funds out of 437 samples), followed by Printing Presses (43 out of 150) and footwear [10 (Bata Branches) out of 92]. Income range Rs. 1-54 has the largest number of non-contributors (1887 out of 1927). Present value of provident funds work at an average of Rs. 820.40, the average in each income range rising as the income range rises, from Rs. 58.67 to Rs. 2 652.81. As already mentioned, face value of life insurance policies works at an average of Rs. 3074.11. Per capita, including 4,302 samples, the present value of provident fund goes down to Rs. 18.47, per capita life insurance policy face value working at Rs. 81.86.

Provident
fund
accumula-
tions.
Tables
XLVIII
and L.

TABLE
Provident fund Credits

Srl. No.	Income ranges Rs.	PROVIDENT FUND CREDITS									
		1—100		101—300		301—500		501—1,000		1,001—2,000	
		N	A	N	A	N	A	N	A	N	A
1	2	3	4	5	6	7	8	9	10	11	12
1.	1—54	85	1,087	4	900	1	860	..	..	..	..
2.	55—100	81	1,681	81	6,254	27	10,235	7	4,404	..	..
3.	101—150	8	621	20	4,071	17	6,489	18	18,892	1	1,500
4.	151—200	2	78	4	756	5	2,092	29	23,663	11	16,670
5.	201—250	..	..	2	528	4	1,800	9	7,253	12	20,386
6.	251—300	2	192	2	460	..	..	4	3,800	5	8,871
7.	301—500	1	61	8	568	3	1,859	5	3,859	11	17,966
		79	3,720	66	13,537	57	22,335	72	55,371	40	65,393

Note.—N—Number of cases having provident fund.
A—Provident fund credits (amount Rs.).

—L

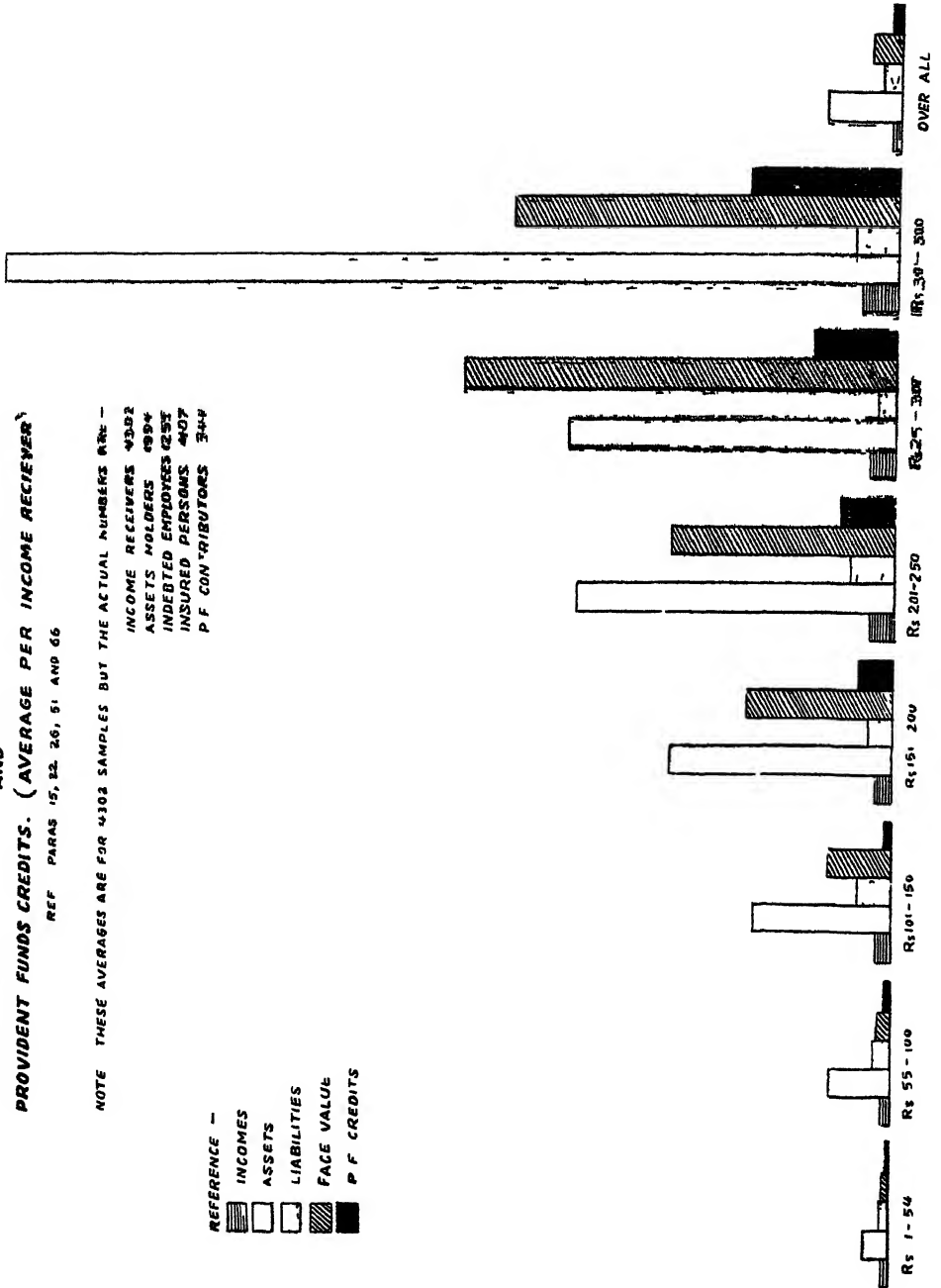
—Income Ranges.

RANGES (Rs)								Average value of Provident fund in each Income range Rs.
2,001—3,000		3,001—10,000		Over 10,000		Total		
N	A	N	A	N	A	N	A	
18	14	15	16	17	18	19	20	
..	..	..	..	..	..	40	2,347	58.67
..	..	..	..	..	..	96	22,574	235.14
2	5,142	..	..	..	..	68	31,215	472.95
..	..	2	7,800	..	..	53	50,559	953.94
3	7,560	1	4,285	..	..	31	41,812	1348.77
7	20,100	..	..	..	..	20	32,023	1646.15
7	19,800	7	39,675	1	18,000	38	1,00,788	2652.81
19	52,602	10	51,260	1	18,000	344	2,82,218	820.40

**RATIO AMONG INCOMES, ASSETS, LIABILITIES, FACE VALUE OF POLICIES
AND
PROVIDENT FUNDS CREDITS. (AVERAGE PER INCOME RECIEVER)**
REF PARAS 15, 22, 26, 51 AND 66

NOTE THESE AVERAGES ARE FOR 4303 SAMPLES BUT THE ACTUAL NUMBERS ARE -
INCOME RECEIVERS 4302
ASSETS HOLDERS 4304
INDEBTED EMPLOYEES 4251
INSURED PERSONS 4007
P F CONTRIBUTORS 344

REFERENCE -
INCOMES
ASSETS
LIABILITIES
FACE VALUE
P F CREDITS



67. 344 employees pay Rs. 2,647 per month towards provident funds working at an average of Rs. 7.69 per contributor. Compared to total monthly contributions, provident fund credits are in the ratio of 1 : 106.62, almost eight years' accumulations. The lowest average monthly contribution occurs in the income range Rs. 1-54, and there is an increase as the income range rises, because the contributions are collected at uniform percentages of wages. The usual contribution is one anna in the rupee by the wage earner, and equal contribution by the employer, interest being allowed on the joint accumulation at rates of interest varying between 2 and $6\frac{1}{4}\%$, figures standing thus :

Provident
fund
contribu-
tions.
Tables LI &
LII.

2-3 $\frac{1}{8}\%$	..	.. 85 cases
3 $\frac{1}{8}$ -6 $\frac{1}{4}\%$	..	.. 259 cases

In some case, the employer contributes half of the employee's contribution. In a few cases, the employer's contribution is one-twelveth of the wage. In all cases except menials, the employee can pay more than 1/16th or 1/12th, but the employer's contribution does not increase correspondingly. Usually, the employers' contribution will be credited to the provident fund only after a minimum period of service which differs in different cases,

[Statement.

TABLE II.
Provident Fund Contribution—Income Ranges

Srl. No.	Income Ranges Rs.	Rs. 1-5		Rs. 6-10		Rs. 11-15		Rs. 16-20		Rs. 21-30		Rs. 31-45		Over 45		TOTAL		Average contribution
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.	1-54	..	40	57	..	..	..	..	..	..	..	..	..	..	..	40	57	1.42
2.	55-100	..	89	256	7	13	..	..	..	..	..	..	..	..	..	96	299	3.11
3.	101-150	..	25	106	40	275	1	12	..	..	..	..	..	..	..	66	393	5.96
4.	151-200	..	6	19	29	252	15	94	8	49	1	22	..	..	..	53	436	8.22
5.	201-250	..	4	18	9	84	14	181	2	38	2	47	..	..	..	31	363	11.71
6.	251-300	..	3	13	1	8	6	78	9	153	1	28	..	..	..	20	285	14.25
7.	301-500	..	3	14	3	28	6	77	7	124	11	276	8	290	..	38	809	21.20
Total ..		169	483	89	690	42	442	21	364	15	373	8	290	..	..	344	2,647	7.69

Note —N, Provident fund contributors.

A. Provident fund contributions (Amount Rs.).

TABLE LII.

Rate of Interest allowed on Provident Fund and present value.

Srl. No.	Present value of the fund ranges Rs.		2-3½%	Over 3½% to 6¼%	Total
1	2		3	4	5
1.	1-100	..	11	68	79
2.	101- 300	.	16	50	66
3.	301- 500	..	17	40	57
4.	501-1,000	..	20	52	72
5.	1,001-2 000	..	12	28	40
6.	2 001-3 000	..	7	12	19
7.	3,001-10,000	..	2	8	10
8.	Over 10,000	1	1
Total		..	85	259	344

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68. It is not possible to analyse provident fund accounts into duration ranges because there are frequent gaps on account of change of employment, and changes in contributions on account of changes in earnings : it is impossible to separate duration ranges income range-wise.

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e LIII.

69. The largest number covered by provident funds occur in the size group 5-8 (167 out of 344), followed by the size group 4 (48 cases). It looks rather odd that the larger size groups have comparatively smaller numbers of samples covered by provident fund schemes (37 out of 344), but numbers in different size groups do not depend on the initiative or income of the samples but the availability of provident fund schemes. The number of inmates being 1827, per capita provident fund credits work at Rs. 154.47. This figure dwindles to Rs. 18.47 taking into account the inmates of all the sample households. Per capita provident fund credit rises with the income range, as shown below :—

Income range	Per Capita Provident Fund credits
Rs.	Rs.
1- 54	16.30
55-100	42.91
101-150	108.38
151-200	162.05
201-250	221.12
251-300	253.40
301-500	416.48
Over all	154.47

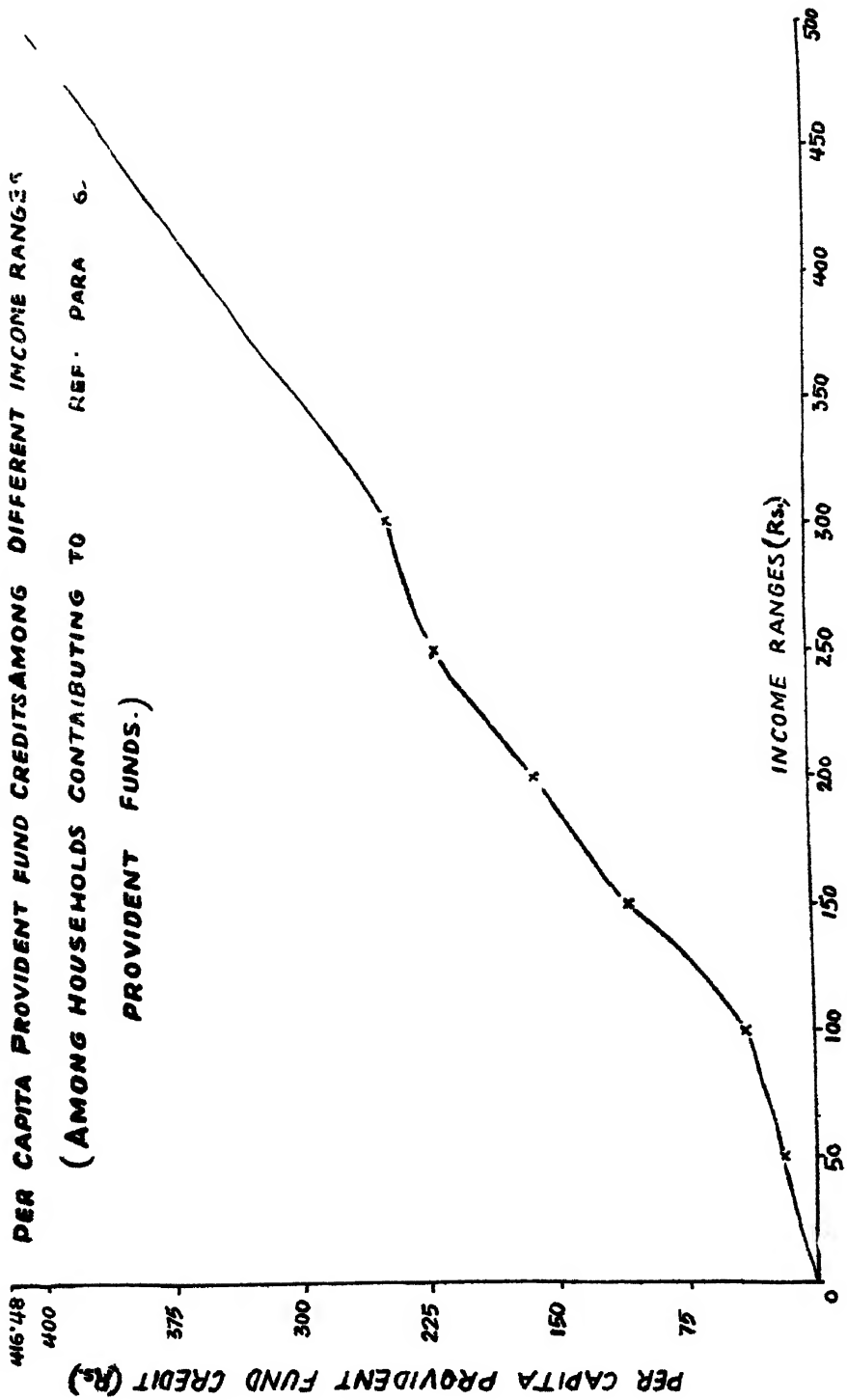


TABLE LIII
Provident Funds and Size Groups— Income Ranges

Srl. No.	Income Ranges	SIZE GROUPS OF HOUSEHOLDS																Provident fund credits Rs.	Per capita fund
		1		2		3		4		5-8		9-12		Over 12		Total			
		N	I	N	I	N	I	N	I	N	I	N	I	N	I	N	I		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1.	1-54	..	6	6	5	10	9	27	7	28	13	73	..	..	..	40	144	2,347	16.30
2.	55-100	..	5	5	7	14	4	12	14	56	61	389	5	50	..	96	526	22,574	42.91
3.	101-150	..	16	16	6	12	6	18	8	82	23	136	6	60	1	14	66	31,215	108.38
4.	151-200	..	3	3	..	..	6	13	9	36	25	152	9	90	1	13	53	50,559	162.05
5.	201-250	..	4	4	2	4	2	6	3	12	14	92	3	28	3	43	81	41,812	221.12
6.	251-300	..	1	1	2	4	4	12	1	4	9	56	3	32	1	17	20	32,923	253.40
7.	301-500	..	..	..	..	..	5	15	6	24	22	143	4	40	1	15	33	1,00,788	416.43
Total..		35	35	22	44	36	108	43	192	167	1,046	80	200	7	102	344	1,827	2,82,218	154.47

Note: N—Number of samples having provident fund.

I—Number of inmates.

70. By age groups, the largest number of provident fund contributors are in the age group 25-40 (256 out of 344 : 74.42%) followed by the age group 41-55 (50 cases : 14.53%).

Provident funds and age groups.
Table LIV.

TABLE LIV.
Provident Fund and Age Groups

Srl. No.	Income Range Rs.	NO. OF PROVIDENT FUND CONTRIBUTORS IN THE AGE RANGES						Total	
		6-12 years	18-21 years	22-40 years	41-55 years	56-70 years	over 70 years		
1	2	3	4	5	6	7	8	9	
1.	1-54	..	..	15	21	2	2	.	40
2.	55-100	..	..	4	80	11	1	..	96
3.	101-150	..	..	11	47	7	1	..	66
4.	151-200	..	..	1	48	8	1	..	58
5.	201-250	..	..	1	25	5	..	..	31
6.	251-300	..	..	..	14	6	..	..	20
7.	301-500	..	..	..	26	11	1	..	38
	Total	..	..	32	256	50	6	..	344
	Percentage	..	..	9.30	74.42	14.53	1.74	..	100.00

vident
funds and
education
ble LV.

71. Out of 344 cases, 39 are illiterates (11.34%). The highest percentage is among secondary qualified (158 : 45.93%). Samples are very few in upper educational strata.

TABLE LV.

Provident Fund and Education

Srl. No.	Income ranges Rs.	EDUCATIONAL QUALIFICATION								Total
		A	B	C	D	E	F	G	H	
1	2	3	4	5	6	7	8	9	10	11
1.	1-54 ..	7	26	5	..	2	..	..	..	40
2.	55-100 ..	28	44	20	..	2	..	..	2	96
3.	101-150 ..	3	7	48	..	6	2	..	..	66
4.	151-200 ..	..	8	82	..	7	5	1	..	53
5.	201-250 ..	1	2	19	..	5	3	1	..	31
6.	251-300 ..	..	..	13	..	3	3	1	..	20
7.	301-500 ..	..	..	21	..	6	7	8	1	38
Total ..		39	87	158	..	31	20	6	3	344
Percentage .		11.34	25.29	45.29	..	9.01	5.82	1.74	0.87	100.00

Note.—A—Illiterate. B—Primary. C—Secondary. D—Technically trained (lower). E—Under-graduate. F—Graduate. G—Post-graduate. H—Technically trained (higher).

72. 128 are Clerks (679 including all samples), 84 menials (1290 including all samples) and Mechanics 50 (455 including all samples). The smallest number are Cashiers, but the total number of Cashiers also is small. Table LVI. (36).

TABLE LVI
Provident Fund and Occupation

Sr. No.	Industry	INCOME RANGES RUPEES							Total
		1-54	55-100	101-150	151-200	201-250	251-300	301-500	
1	2	3	4	5	6	7	8	9	10
1.	Clerks	..	8	38	29	19	16	18	128
2.	Menials	10	66	4	3	1	..	..	84
3.	Cashier	..	..	3	..	2	..	2	7
4.	Salesmen	2	7	6	4	1	1	3	24
5.	Mech. & Tech.	28	11	5	6	..	..	..	50
6.	Managers & Asst. Managers.	..	2	6	4	5	1	10	28
7.	Accountants	..	2	4	7	3	2	5	23
8.	Others	..	..	..	..	..	..	..	..
Total..		40	96	66	58	31	20	38	344

73. Commercial Offices lead, almost monopolise provident fund schemes (248 out of 344). Printing Presses come next with 43 samples, followed by cloth shops (15). There are 14 cases in Hardware Shops like Godrej and Alwyn Metal Works, and 10 cases in Shoe industry on account of Bata Branches; otherwise, provident fund is conspicuously absent in all producer or sale establishments.

[Statement.

TABLE LVII
Proident Fund and Industry

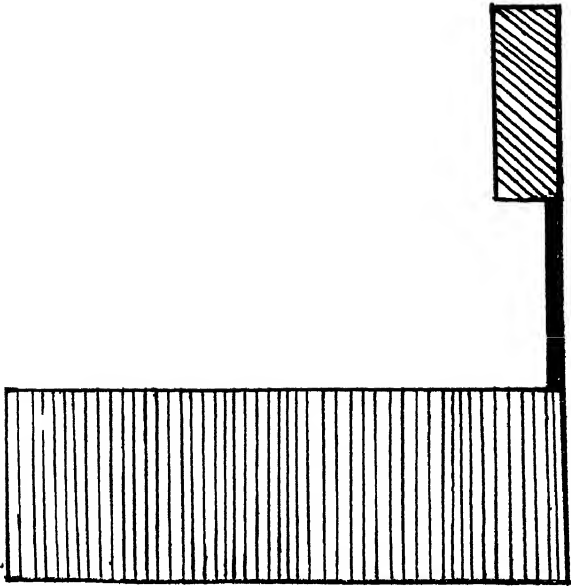
Sr. No.	Industry	INCOME RANGES RUPEES							Total
		1-54	55-100	101-150	151-200	201-250	251-300	301-500	
1	2	3	4	5	6	7	8	9	10
1.	Cloth	2	4	2	..	7	..	..	15
2.	Groceries	..	..	..	..	..	..	..	..
3.	Hotel	..	..	..	..	..	..	..	..
4.	General Stores	..	..	..	..	..	..	..	..
5.	Shoe & Leather	..	..	6	2	1	..	1	10
6.	Book & Stationery	..	..	..	..	..	..	1	1
7.	Tinkers	..	..	..	..	..	..	..	..
8.	Tailoring	..	..	..	..	..	..	..	..
9.	Furniture	..	..	..	..	..	..	..	..
10.	Auto. and other Mech.	..	..	..	10	..	1	..	11
11.	Medicine	..	..	..	..	..	..	..	..
12.	Printing Presses..	32	10	1	..	..	..	..	43
13.	Grain Shops	..	..	..	..	..	..	..	..
14.	Hardware	2	1	6	..	..	2	3	14
15.	Fruit and Vegetable shops	..	..	..	..	..	..	..	..
16.	Miscellaneous	..	..	2	..	..	..	..	2
17.	Commercial Offices	4	81	49	41	28	17	33	248
	Total..	40	96	66	53	31	20	38	344




74. Rs. 9,675 is the total loan against Rs. 2,82,218 provide fund credits, working at 3.42% . This percentage is extraordinarily low, but the percentage works at 24.80 if the calculation is confined to debtor cases only : 301 have not borrowed at all against their respective provident fund accumulations. Quite a high percentage of employees have not borrowed against insurance policies and provident funds because they have been able to meet their credit requirements more easily and more economically from friends and relatives, employers and private moneylenders. Another factor is the laborious process involved in securing loans against insurance policies and provident fund schemes. There is a general decline in the number of debtors as the income range rises.

Loans
against
provident
funds.
Table
LVIII.

PROVIDENT FUND CREDITS, PROVIDENT FUND LOANS
AND
PROVIDENT FUND CONTRIBUTIONS ANNUAL

REF: PARA 74



-  P. F. CREDITS
-  P. F. LOANS
-  P. F. CONTRIBUTIONS

Rs. 2,82,218 Rs. 9,675 Rs 31,764

TABLE LVIII.

Loans against Provident Funds: Income Ranges.

RANGES OF LOANS RUPEES																					
Sl. No.	Income ranges Rs.																				
		1-100	101-300	301-500	501-1000	1001-2000	2001-3000	3001-10000	over 10000												
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
1.	1- 54	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
2.	55-100	..	..	4	265	14	1,312	1	150	..	..	..	..	..	..	..	..	..	..	19	1,727
3.	101-150	..	..	1	100	2	258	3	840	..	..	1	300	..	..	..	..	..	..	7	1,498
4.	151-200	..	..	..	..	..	..	1	120	2	375	..	..	..	..	..	..	..	..	3	495
5.	201-250	..	..	..	..	1	100	3	800	..	..	1	420	..	..	..	..	..	..	5	1 320
6.	251-300	..	..	..	..	..	..	..	..	1	600	3	1,835	..	..	..	..	..	..	4	2,435
7.	301-500	..	..	..	..	..	..	2	600	2	800	1	800	..	..	..	..	..	..	5	2,200
Total		..	..	5	365	17	1,670	10	2 510	5	1,775	6	3 855	..	..	..	..	..	..	43	9,675
Note: N—Number of borrowers. A—Amount of loans (Rupees).																					

Note: N—Number of borrowers.

A—Amount of loans (Rupees).

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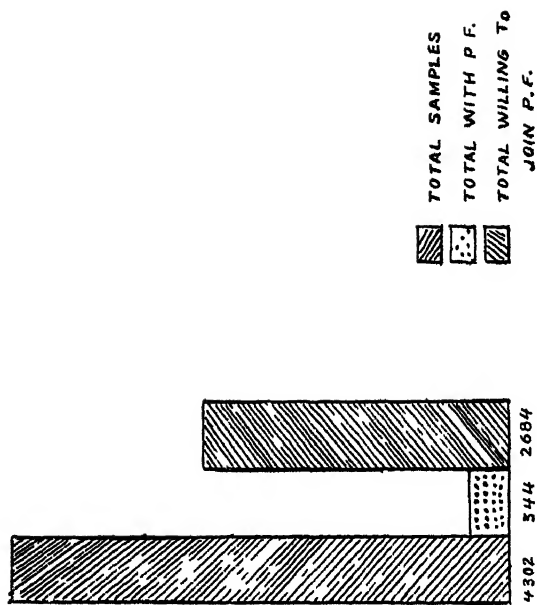
75. Out of 3958 non-contributors to provident funds, 2684 are agreeable to join provident funds provided facilities are made available, realising that some saving by them would earn some contribution by the employers. More employees are willing to join provident funds in the upper income groups than in the lower, two reasons being better means and better understanding. But it would be impracticable to enforce provident funds in small shops and establishments : the only way would be for the Government to take over and administer provident funds as has been done in the case of life insurance.

TABLE LIX.

*Employees willing or not willing to join any Provident Fund Scheme :
Income Ranges.*

Sl. No.	Income ranges Rs.	Number willing	Number not willing	Total
1	2	3	4	5
1.	1 54	995	892	1,887
2.	55-100	1,270	334	1,604
3.	101-150	272	19	291
4.	151-200	77	14	91
5.	201-250	38	7	40
6.	251-300	14	3	17
7.	301-500	23	5	28
Total		2,684	1,274	3,958

**TOTAL NUMBER OF SAMPLES, TOTAL NUMBER WITH PROVIDENT FUNDS,
AND
TOTAL NUMBER WILLING TO JOIN PROVIDENT FUNDS.**
REF PARA 75



76. 156 samples contribute both to life insurance and provident funds. Their general economic position is given in the Table, and comparison is made of the averages for these 156 employees, and for all the 480 samples, for different income ranges, and on the whole. It is clear as day light that these persons are much better off than their colleagues in the respective income range and also on the whole. The comparative position is this :

Employees
with both
insurance
and provident
funds :
income
ranges.
Table LX.

Item	Average for 4802 samples Rs.	Average for 156 samples with both insurance and provident funds Rs.
Income	71.18	191.15
Assets	777.95	3609.79
Liabilities	168.24	557.18
Insurance protection	290.88	3750.98
Provident fund credits	65.60	979.79

TABLE LX
Income, Assets, Liabilities, etc. of employees with both Insurance and Provident Fund.

Srl. No.	Income ranges	Average income	Average assets	Average liabilities	Average face value	Average present value of provident fund	Average monthly premium	Average monthly contribution to provident fund
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2	3	4	5	6	7	8	9
1.	1—54	49.00	150.00	50.00	1250.00	440.00	3.50	3.00
2.	55—100	74.00	345.00	270.65	1112.50	295.50	4.50	3.70
3.	101—150	132.60	4266.66	564.30	2842.28	404.46	10.43	6.00
4.	151—200	148.27	2877.62	469.54	3236.66	988.18	13.70	6.30
5.	201—250	228.94	1519.23	409.75	4666.66	1458.86	19.84	13.10
6.	251—300	280.25	1735.38	751.87	7562.50	1473.31	27.75	14.50
7.	301—500	348.88	9032.89	1401.25	5923.07	1984.69	22.38	17.60
Total		191.15	3898.01	557.18	3750.98	979.79	14.61	9.80

Employees
with both
insurance
and provident
funds :
Industry-
wise.
Table LXI.

77. Industry-wise, 127 out of 156 contributors both insurance and provident funds, belong to Commercial Offices. In Bata Branches, 8 out of 10 employees participate both in insurance and provident funds.

TABLE LXI.
Employees having both Insurance and Provident Fund: Industry-wise.

Sl. No.	Industry	INCOME RANGES RUPEES									Total
		1-54	55-100	101-150	151-200	201-250	251-300	301-500			
1	2	3	4	5	6	7	8	9	10		
1.	Cloth	..	..	2	..	6	..	..	8
2.	Groceries	..	..	..	..	..	..	..	..
3.	Hotel	..	..	..	..	..	..	..	..
4.	General Stores	..	..	..	2	..	..	1	8
5.	Shoe & Leather	..	..	5	..	..	..	..	..
6.	Book & Stationery	..	..	..	..	..	..	..	..
7.	Tinkers	..	..	..	..	..	..	..	..
8.	Tailoring	..	..	..	..	..	..	..	..
9.	Hardware	1	1	2	..	..	2	1	7
10.	Auto & Other Mech.	..	..	..	4	..	1	..	5
11.	Medicine	..	..	1	..	..	..	..	1
12.	Printing Presses	..	..	..	..	..	..	..	..
13.	Grain shops	..	..	..	..	..	..	..	..
14.	Furniture	..	..	..	..	..	..	..	..
15.	Fruit and Vegetable Shops	..	..	..	..	..	..	..	..
16.	Miscellaneous	..	..	..	..	..	..	..	..
17.	Commercial Offices	1	31	22	24	12	18	24	127		

Prorata
figures.

78. *Pro rata* calculation shown as below :

Item	Concerned samples Rs.	All samples (4802) Rs.	For total number of employees in shops and establishments in Hyderabad-Sec- underabad City Area (19489) Rs.
Face value of insurance policies ..	12.51 Lakhs	182.24 Lakhs	597.57 Lakhs
Annual premium	0.65 „	6.94 „	31.37 „
Present cash value	1.71 „	18.11 „	81.84 „
Provident fund credits	2.82 „	35.29 „	159.47 „
Monthly contribution by employees	2,647	32,982	1.49 „

The Shops and Establishments Act has been enforced in many cities, but even in such areas enumeration is not accurate and complete : in many places, figures are being compiled. There are thousands of towns in which the Act has yet to be enforced. As such, it is not possible to work out prorata figures for the whole of India. But the figures in this table do give a clear idea of the magnitude of the scope for universalising life insurance and provident funds among employees in Shops and Establishments.

CHAPTER VIII.

Life Insurance and Provident Fund, Low Income Group Employees in Shops and Establishments, and the National Economy.

79. This Enquiry deals with but a small fragment of urban low income groups : low income groups in organised industry, in Government service, self employed workers and casual or daily workers, have yet to be examined on the subject of life insurance and provident fund. The Indian Second Plan recognises the importance of co-partnership between employer and employee:

The labour policy of the Second Plan is intended to convert this capitalist-minded labour-selling worker into a co-inheritor of the products of industry, fully conscious of his rights as an indian shareholder in the Plan, and of his duties as an Indian who must pass on to the next generation a production system more efficient and more human than the one he himself has.

The plan suggest to this end, changes in trade union constitution and practices which will eliminate political adventurers of all kinds, improve the finances of these organisations, reform of Works Committees and similar bodies extend the Employees' Provident Fund Scheme, fully implement all existing labour legislation, and for the vital purpose of increasing productivity, create in each undertaking "a council of management consisting of an equal number of representatives of management and workers" that should be supplied with "full information on all subjects and be permitted to discuss all matters other than financial."

But employees in shops and establishments are unorganised and lack the strength of trade unionism :

In the new epoch that is evolving, lack of organisational unity amongst the workers will not only prevent them from claiming the maximum advantages possible but it will also be a betrayal of socialism and the nation.

4302 samples are like a drop in the ocean of employees in shops and establishments over the whole country, but typical features are unmistakably clear even from the

date based on the present Enquiry. Certain facilities provided for them by labour legislation do not suit all of them. For example, most of them would rather work longer hours and on holidays provided that meant higher wages. Concentrated work is rare, and as such, compulsory leisure may do more harm than good. The primary problem is the non-availability even of a subsistence wage (according to the respective standards of life), and in the absence of this, insistence on less and less number of hours of work and more and more holidays looks like dressing up with a hungry stomach.

80. Life insurance is rare and provident fund is rarer. There are no data: there is no countrywide organisation: helpers are not trained and settlements of claims involve vexatious processes. The nationalisation of life insurance has been announced, and this brings a hope that the future augurs well with regard to the universalisation of both life insurance and provident fund. Life insurance, like mercy, is twice blest: it blesseth him that gives and him that takes. The achievements of the Public Branch of the Mysore Government Insurance Department, are an indication of the prospects (Annexure B). Cases of absolute destitution after sudden deaths of the heads of households, are a matter of everyday occurrence in thousands, and the lower income groups deserve primary attention: upper ranges of income might have some other assets, but the lower incomes have practically none. As such, the issue of policies with a minimum of Rs. 100 face value should be insisted on. A scheme for a twenty-five per cent Government subsidy to make up premiums of Rs. 4/- or less a month should be worked out, and the net losses, if any should be borne by public revenues, and charged to "Social Welfare". But such possible losses are only theoretical so long as the subsidy is confined to life insurance of Rs. 1,000/- or less. This would encourage practically every household to resort to some life insurance, even in the lowest income ranges. As a matter of fact, good beginnings have already been made. The authorities have already announced lower premiums and higher minimum provident fund contributions ($8\frac{1}{8}\%$) As a corollary, employment should increase enormously for helpers, doctors, lecturing and training staff, and employees in insurance offices. A nation is judged by the economic condition of its lowest income groups, and it

would be most appropriate for the Second Five-Year Plan to give the pride of place to such a scheme under Social Welfare.

81. Nationalisation should not mean stagnation. The example of the nationalisation of railways should dispel fears about higher working expenses, retrenchment and inefficiency. Per capita insurance protection in India is less than Rs. 30 in 1956, and this is full proof of the failure of private initiative to handle this problem of supreme vital importance. The possibility of losing external business is much more than counter-balanced by the almost inexhaustible scope for expansion inside the country, specially in rural areas. The Finance Minister's estimate that nationalisation of life insurance might add about 10% to public resources is, if anything, modest. Of course, it would be economical to absorb foreign personnel working in this industry in the country to the maximum extent possible, in order to ensure high level talent and technique.

82. Life insurance is primarily against risk. As pure investment, it does not pay. Further, the maturity comes rather late in cases of survival (early deaths are a small percentage). But, during the age range 22-55, an employee, particularly a low income employee, must face numerous costly occurrences like births, illnesses, deaths, marriages, house-building, etc. The scope for meeting such needs from current incomes is practically nil. Loans against life insurance policies involve vexatious formalities, cannot be had frequently, and take-away from the main purpose of life insurance, namely, cover against risk. Therefore, it would not be reasonable to argue that both life insurance and contributions to provident fund are not necessary. Unlike life insurance, provident funds pay better than any other investment, on account of contributions by employers and liberal rates of interest. But, in unorganised tertiary services of employees in shops and establishments, there is no possibility of universalising provident fund benefits except through nationalisation (Annexure 'B' gives some details of the very limited scope of operations at present). The concept of a Welfare State and the announcement of a socialistic pattern of society are indeed heartening. But the class of workers covered by

the present Enquiry, continues to be subject to practically a hundred per cent capitalistic pattern. Relief should begin at the bottom, and must reach every worker. To attain this objective, a State Provident Fund Corporation would have to be organised (somewhat on the lines of the State Life Insurance Corporation), which should adopt and work a scheme of compulsory provident fund contributions by all employees in shops and establishments (differentiated from commercial offices which are distinctly better off in this respect), with concessions and facilities for temporary service. The administration would have to be through the Labour Department, making it compulsory for every employee in shops and establishments to register. His contribution should be deducted at the source (by the employer), the State should contribute at least one-fourth the amount (limited to monthly contributions of Rs. 4 or less), and a liberal rate of interest allowed on accumulations. This Enquiry reveals that workers take full advantage of Provident Fund schemes wherever they operate. In other places, the workers cannot think of provident fund benefits because there are no schemes. The grant of a subsidy equal to even 25% of the contribution by the employee, up to a maximum of Re. 1 a month by the Government, should constitute a great advance towards social security. Announcements have been made, but corollary schemes are not forthcoming, and the workers are impatient. Nationalised life insurance and provident funds should alter the psychology of the low income employees from despondency to hope and cheer. With such nation-wide organisations for life insurance and provident fund, the small savings schemes operating at present, should concentrate on income ranges above Rs. 500 a month. If the socialistic pattern of society should be developed in India on a democratic basis, if Communism should be precluded, the most potent instrument should be the upgrading of the economic position of low income groups through the nationalisation of insurance and provident fund alongside the abolition of sub-marginal wages, and not American Aid. Annexure 'C' is an extract from President Eisenhower's Economic Report to the Congress (1955). Even though the minimum wage in that Country is 75 cents per hour, and it is proposed to raise it to 90 cents per hour, low income families getting less than \$1000

per annum, are still continuing with sub-marginal wages, and the objective is to bring these families within the scope of the Minimum Wage Act. The part played by life insurance in the United States economy is magnificent: in the second quarter of 1955, total assets of life insurance organisations stood at 86.9 billion dollars while the national income in the same quarter was 320.7 billion dollars, more than 25%. On the other hand in India, the face value of life protection was Rs. 1058.8 crores in 1954, working at about 10% of the national income (Rs. 10,600 crores). The total assets of life insurance companies during the same year was Rs. 352.2 crores which works at about 3% of the national income.

CHAPTER--IX

S U M M I N G U P

Para No.	Items	Table No.
2.	4802 samples were selected out of 19,439 employees, constituting 22.13%. The Survey is confined to monthly income ranges between Re. 1 and Re. 500	I & II
4.	2700 pay house rents, 430 own their own houses, and 1172 employees live in rent-free houses (mostly provided by employers).	III
5.	Average monthly house rent works at Rs. 10.58, the average in the recent City Survey in the same income ranges, having been Rs. 10.34. But the range of variations is at a higher pitch in this Survey than in the general City Survey, for the main reason that casual or daily workers and proprietary workers like hawkers, etc. are excluded from this Enquiry.	IV
6.	Average strength of house-hold is 3.55. 1104 samples live single, and the size group range 1-4 accounts for 43.07 percent compared to 45.84% in the 5-8 size group range. Almost a half are immigrants with insecure terms of employment. This accounts for the size of the average household being 3.55 compared to 6.57 in the recent City Survey.	V
7.	Samples in the age group 13-21 comprise 26.71% of 4802 samples, while the same percentage was 11.48 in the recent City Survey. This further confirms the fact that most of the immigrant employees are in teens. ..	VI
8.	3230 out of 4802 are either illiterate or of the primary standard (75.08%), while graduates and post-graduates comprise 1.70%.	VII
9.	1317 are menials, 855 salesman and 679 clerks.	VIII
10.	The hotel industry employs the largest number, namely, 970, followed by automobiles and other machinery (438) and commercial offices (437).	IX
11.	1957 have been employed for more than 3 years while 1505 are in the duration range 1-3 years : 840 have been employed for less than one year. The duration of employment rises with income ranges.	X

Para No.	Items	Table No.
12.	There is some direct relation between educational standards and stability of employment.	XI
13.	Stability of employment is highest in commercial offices (264 out of 437 having been employed continuously for 4 years and more), followed by automobiles and other machinery (228 out of 438 having been employed continuously for 4 years and more). On the other hand, 329 out of 970 have been employed for less than one year in hotels.	XII
14.	3865 employees are in shops and establishments, and 437 in commercial offices. Proportionately speaking, more employees are in upper income ranges in commercial offices on account of higher education, stabler finances and closer Government control.	XIII
15.	Total income of 4302 samples is Rs. 3,06,011 per month working at an average of Rs. 71.13, the range of variation being Rs. 35.57 and Rs. 330.53 among the different income ranges.	XIV
16.	Taking into account the corresponding income range, average income per sample works at Rs. 71.8 in the recent City Survey, and Rs. 71.13 in the present Enquiry. It is striking that these averages are almost identical. ..	XIV
17.	92.28 percent of income is from main occupations, 0.47% from subsidiary occupations, 1.70% from other sources and 5.55% from other inmates of households. Although working hours are not long, the employees lack in enterprise. ..	XIV
18.	"Other" incomes rise with income ranges, mostly due to earning assets, from 0.16% in income range Rs. 1-45 to 6.09% in income ranges Rs. 251-500.	XIV
19.	Income from other inmates of households rises with income ranges, from 1.83% in Rs. 1-54 range to 18.26% in Rs. 301-500 income range. This indicates that other members of the households contribute more to household incomes. with a rise in income ranges.	
20.	The range of variations in income is wide. 84.81% of samples get 59.92% of total income in the income ranges Rs. 1-100, while 4.06% of samples get 17.11% of total income in Rs. 201-500 income range. But the gulf between the haves and the have-nots is wider in the recent City Survey, with 78.98% of samples getting 32.69% of total income in the income range Rs. 1-100, and 1.80% samples getting 27.57% of the total income in income ranges exceeding Rs. 500.	XIV

Para No.	Items	Table No.
21.	The size of the household varies directly with income range, the variation ranging from 2.60 inmates in the Rs. 1-54 income range, to 6.82 inmates in the income range Rs. 301-500. As mentioned in para 6, these averages are smaller compared to the respective averages in the recent City Survey, the reason being that all the samples in this Enquiry are employees in low income groups while the recent City Survey included samples from all income ranges.	XV
22.	1994 have assets while 2308 income receivers have no assets. Average assets per assets holder work at Rs. 881.94 in the income range Rs. 1-54, Rs. 15582.65 in the income range Rs. 301-500, the over-all average working at Rs. 1678.42. On the other hand, average assets per income receiver descend to Rs. 777.95 on the whole, the range of variations working at Rs. 251.26 (income range Rs. 1-54) and Rs. 9476.71 (income range Rs. 301-500).	XVI.
23.	Average assets are about a third of the recent City Survey averages in corresponding income groups, the figures being Rs. 1678.42 in the present Enquiry and Rs. 4925.84 in the latter case. The saving propensity is rare among employees, the saving margin much rarer.	XVI
24.	Generally speaking, immovable assets go down in percentage with rising incomes. Liquid assets and other movables are much less in importance compared to the recent City Survey.	XVI
25.	Collectively speaking, the ratio of income to assets works at 9.14, the range of variations being 3.15 (Rs. 301-500 income range) and 14.16 (Rs. 1-54 income range). As the income range rises, the proportion of income to assets declines. In the recent City Survey this ratio is 0.14% (all income groups) and 2.46% (income ranges up to Rs. 500) compared to 9.14 in the present Enquiry. Assets decrease more than proportionately as incomes go down, specially so in the case of employees whose greatest possession is personal labour.	XVII
26.	1255 are indebted while 3047 are debt free. Average liabilities per indebted sample work at Rs. 555.16. Average liabilities rise with rising incomes, collectively speaking, from Rs. 33.36 (income range Rs. 1-54) to Rs. 1242.13 (Rs. 301-500 income range), taking into account indebted samples only.	XVIII
27.	As the income range rises there is a decline in the proportion of liabilities to total liabilities except in the income range Rs. 55-100; in this range, inspite of indebted employees being larger in number, the incidence of debt is heavier (45.77%) which calls for special attention.	

Para No.	Items	Table No.
28.	In the corresponding income ranges, the debt burden is lighter in the present Enquiry than in the City Survey, main reasons being (1) smaller assets, (2) more regular income, and (3) close control of debts by employers.	XVIII
29.	Dues to friends and relatives, and employers are conspicuous (38.85) while in the City Survey the corresponding figure was 16.7%. The present samples know little of commercial banks and less of co-operation, dues being respectively 2.62% and 0.28% compared to 20.9% and 3.1% in the City Survey respectively. The grip of the money lender is tighter on this class (55.29%) than on the community in general (42.0%). Government advances are nil while in the City Survey they constituted 17.3%. The case for the spread of the Co-operative Movement and upgrading employees to the status of artisans and handicraftsmen working on their own, is very strong and urgent, specially in view of the bias for hand industries, cottage industries and small scale industries in the Second Five-Year Plan.	XIX
30.	Long term debt is 56.47% compared to 37.79% in the City Survey in corresponding income ranges. But, short term dues are 24.90% compared to 11.60% in the City Survey. This is mostly due to regular recoveries of loans made by employers. Rationalisation of the finances of employees could be undertaken only by the Co-operative Movement supported by subsidies and loans with nominal interest respectively by the Government and the Reserve Bank of India. This has been accepted in principle already by the authorities.	XVIII
31.	Most of the long term debt comprises consumption loans, hereditary and impossible.	XVIII
32.	58.80% of debtors pay no interest (mostly on loans by employers) and various rates of interest (above 24%) are comparatively few: 102 out of 1255. Rates of interest are lower in the present Enquiry compared to the City Survey, mainly due to competition between employers and money lenders.	XX
33.	Collectively speaking, income comprises 43.57% of liabilities the corresponding figure for the City Survey having been 21.28%. The general position is better off in this Enquiry than in the City Survey.	XXI
34.	Liabilities constitute 20.98% of assets, and less than three months income, on the whole. The over all picture is sounder than ordinarily imagined.	XXII

Para No.	Items	Table No.
35.	Liabilities are 20.98% of assets in the present Enquiry but 11.66% in the City Survey. The higher percentage in the present Enquiry is due to the exclusion of proprietary workers and Government servants who possess producer goods and durable consumer goods while employees are much poorer in these respects.	
36.	The initiative with regard to life insurance was from the Insurance Agents in all cases, and not of the insured.	
37.	407 samples have 482 policies, all endowments. The face values of policies ranges from Rs. 500 to Rs. 25,000. One sample has seven policies and two six each.	
38.	There are as many as 19 main reasons for 3895 samples not taking out life insurance policies. Among these are :	
	Ignorance of Life insurance 578	
	No saving margin 520	
	Literature in unknown language .. 349	
	Fear of medical examination 119	
	Objections by wives 113	
	Religious objection 27	
	More reliable avenues of investment .. 12	
	With a successful implementation of the nationalisation of life insurance, all these reasons should no longer be effective. XXIII	
39.	The percentage of insured employees rises with income, from 0.62% (Rs. 1-54 range) to 66.66% (Rs. 301-500 range). The income range Rs. 1-100 has hardly been touched by insurance companies, the State Life Insurance Department not being open to non-Government servants. XXIV	
40.	Insured samples are 6.81% in Shops and Establishments, 37.80% in Commercial Offices, and 9.46% on the whole, the respective per capita protection among insured households working at Rs. 655.00, Rs. 676.08 and Rs. 664.09. Taking all samples (4302), per capita protection dives steeply to Rs. 81.86 XXV	
41.	Insured employees among Insurance Offices are better off with regard to per capita protection (Rs. 708.01) followed by commercial offices (which include insurance companies) with Rs. 676.08, and shops and establishments with Rs. 655.00.	
43.	Per capita protection generally declines with larger size groups of house-holds, from Rs. 3116.67 (single member size group) to Rs. 321.62 (9-12 size group). On account of growing overheads, per capita insurance protection should be higher in larger size groups. XXIV	

Para No.	Items	Table No.
44.	The age group 22-40 has the largest number of insured samples (318 out of 407), followed by 41-55 (60 cases). In the age group 18-21 there are only 25 cases.	XXVIII
45.	Per capita protection increases with higher education, from Rs. 262.82 among illiterates, to Rs. 1666.66 among technically qualified (higher) (among insured house-holds only). The percentage of insured to total samples rises with higher educational qualifications, the lowest percentage (1.10%) in the case of illiterates, the highest (63.63%) among graduates. The same observation applies to per capita protection also, the variation extending from Rs. 262.82 among illiterates and Rs. 1061.43 among graduates (among insured households only).	XXIX & XXX
46.	By occupation, insured samples are largest in number as clerks (158), followed by Managers and Assistant Managers (67), and menials (44). The smallest number occur among outfitters (2). By size of average protection, Managers and Assistant Managers lead with Rs. 5182.28, followed by clerks Rs. 3127.21 and cashiers Rs. 2714.28. The smallest average protection is among menials (Rs. 1093.18).	XXXI
47.	By industry, commercial office lead with 163 insured samples, followed by automobile and other machinery 69 and hotels 35. The smallest number of insured samples are in Books and Stationery (2). By size of average protection, Shoe and Leather stand first with Rs. 6100.00, followed by Hardware Rs. 3595.23, and Automobile and Machinery Rs. 3415.22. The smallest average protection is among tailors Rs. 1000.00.	XXXII
48.	Monthly premiums amount to Rs. 5477, the face value of policies being Rs. 12,51,163, total monthly income (of insured samples) being Rs. 64,967. Monthly premiums work at Rs. 13.45 on the average, and constitute 8.46% of income, and annual premiums work at 5.25% of face value of policies.	XXXIII
49.	Assuming that 10% of income makes sufficient premium for adequate protection, 62 are very good cases, 147 are adequately protected, 153 insufficiently protected and 45 poorly protected. There is no protection in 3895 cases. There is no definite relation between income ranges and monthly premiums.	XXXIV
50.	In 1954, face value of insurance policies in force in India was Rs. 1058.8 crores, yielding a per capita average of Rs. 29.41. The per capita protection in the present Enquiry is Rs. 81.96. Even after allowing a margin for	

Para No.

Items

Table No.

increase in the All-India average during 1955-56, and for the rural population excluded from this Enquiry, per capita protection among employees in shops and establishments (Rs. 81.86 is distinctly higher than in the general community (low income groups). Commercial Offices (2152 inmates), and shops and establishments (18181 inmates) treated separately, per capita insurance protection works at Rs. 255.53 and Rs. 58.42 respectively. Assuming that per capita protection should be at a minimum of Rs. 200 there is a shortage of Rs. 118.14, but the picture is much darker if it is remembered that the per capita average protection among insured families is as high as Rs. 664.09, and for the households of 3895 samples (18399 persons) per capita protection is zero.

XXXIV

51. Insured samples with protection between Rs. 1001 and Rs. 10000 are 246. Rs. 1,000 and below, the samples number 150 while over Rs. 10,000, there are only 11 cases. XXXV

52. Average maturity works at 16.24 years, but long period maturities are unpopular. XXXVI

53. Maturity tends to decline with rising incomes. Average maturity is 19.02 in the Rs. 55-100 income range, 14.55 years in the income range Rs. 101-150. XXXVII

54. 262 out of 482 policies have no cash value, because they were taken out very recently. Average cash value for 482 policies works at Rs. 855.52 and Rs. 778.80 for policies with cash value. The progress in life insurance has not been accelerating or even uniform among employees in shops and establishments. Advances against insurance policies are Rs. 7281 working at 4.22% of cash value and 0.57% of face value. This low percentage is due to ignorance and complicated formalities. XXXVIII

55. The proportion as among income, assets, liabilities and policy face value works at 100: 1639: 1925 respectively. If all the 4302 samples had been insured at the proportions obtaining in this Enquiry, the face value of policies would have been Rs. 182.24 lakhs, more than 10 times the face value relating to the insured samples. XXXIX

56. The size group 5-8 has the largest number of lapses (47 out of 89). There are no lapses in the size group over 12. XL

57. Lapsed cases are 89 out of which 69 are in the age range 22-40 in which pressure on household budgets is heaviest, resulting in non-payment of premiums. XLI

Para No.	Items	Table No.
58.	Lapses are highest in secondary qualified samples (37) and insured (Current) samples are also highest in the same group (209)..	XLII
59.	Lapsed cases are highest among clerks (36). Even among samples with policies in force, clerks come first (158). Next highest number of lapses is 16 among salesmen. The smallest number of lapses is among cashiers (1).	XLIII
60.	Lapses occur among 11 industries out of 17, commercial offices leading with 33. It is noteworthy that the latter industry has also the largest number of samples with policies in force (163).	XLIV
61.	The size of the average sample with lapses works at Rs. 1782.58 while the same average for samples with policies in force is Rs. 3074.11. The percentage of lapsed policies in force works at 12.68 by face value. Lapses are not many and occur mostly in lower ranges of policy face values.	XLV
62.	The widely prevalent cause for lapses is growing consumption expenditure (68 out of 89). Most of the 68 occur in the lower income ranges, but there are lapses even in the upper income ranges: the saving margin is insignificant in all the income ranges Rs. 1-500, on account of (1) purchasing power of money going down (2) respective standards of life rising and (3) the nominal wage not keeping pace.	XLVI
63.	Renewable policies are 16 out of 89. The face value of renewable policies is 23.01% of the face value of all lapsed policies. Inability to pay arrears of premiums is the cause for not renewing renewable policies. Lapsed policies (renewable) are highest in the income range Rs. 151-200 from the view point of face value, and this income is popularly known as "the middle class!"	XLVII
64.	Out of 4302 Samples, 344 Contribute to Provident Fund This works at 7.99%	XLVIII
65.	Provident Fund Schemes prevail generally in big establishments, mostly among commercial offices. Permanent employees are included wherever there are Provident Fund Schemes, in all income ranges Rs. 1-500 (even higher ranges). In only eight firms, provident fund contributors number 225 out of 344.	XLIX
66.	Provident Fund credits amounts to Rs. 2,82,218 (344 cases) which works at 9.74% of the total assets of all samples (1994) having assets. Per provident fund contributor, average provident fund credits work at Rs. 820.40. On the whole, per capita figures are Rs. 18.47 (provident fund) and Rs. 81.86 (insurance policies). Among the provident fund contributors' households, per capita credits work at Rs. 154.47 while the same	

Para No.	Items	Table No
	figure with regard to insurance protection is Rs. 664.09 (among insured households). Commercial offices lead with 248 samples contributing to Provident funds	L & XVII
67.	Provident Fund contributions are Rs. 2647 per month working on the average at Rs. 7.69 per contributor. Compared to total monthly contributions, provident fund credits are in the ratio of 1 : 106.62, about eight years accumulations. In most cases, employers and employees contribute equal amounts (one anna per rupee of wage by the employer as well as by the employee). Rates of interest allowed on Provident Fund credits range between 2% and 6½%	LI & LII
69.	Size group 5-8 leads with 167 cases, but distribution among different size groups depends neither on the initiative nor on the income of the samples, but availability of provident fund schemes. Provident fund credits per capita range from Rs. 16.80 to Rs. 416.48 from the lowest to the highest income range	LIII
70.	The largest number of provident fund contributors are in the age group 22-40 (256 out of 344 : 74.42%) followed by the age group 41-55 (30 : 14.53%)	LIII
71.	By educational standards, 153 contributors to provident funds have secondary qualifications, 87 have primary qualifications and 89 are illiterate. Cases with higher educational qualifications are very few	LV
72.	By occupations, clerks number 128, menials 84, mechanics 50 and salesmen 24 provident fund contributors	LVI
74.	801 samples have not borrowed against their respective provident fund credits. The dues from 43 indebted samples total up to Rs. 9675 which makes 24.80% of their provident fund credits collectively. Laborious formalities involved in securing loans against provident funds, and comparatively easier and quicker borrowing from employers, friends and relatives and private money lenders, account for this low percentage of liabilities against provident fund credits	LVIII
75.	Out of 3958 non-contributors to provident funds, 2684 are willing to join provident fund schemes provided they are made available. The percentage of willing samples increases with income. It is only through nationalisation of provident fund schemes and a system of subsidies that employees in small and unorganised shops and establishments will be able to join such schemes and benefit thereby :	LIX

Para No.

Items

Table No

76. 156 samples participate in both life insurance and provident funds. Their general economic position is by far superior to the average, figures standing thus :

Item	Average for 4802 samples (Rs.)	Average for 156 samples having both insurance and provident Funds (Rs.)
Income	71.18	191.15
Assets	777.95	3609.79
Liabilities	163.24	557.18
Insurance	290.83	3750.98
Provident fund Credits	65.60	979.79

77. 127 samples (out of 156 participating in both life insurance and provident funds) belong to commercial offices. Bata branches follow with 8 cases (out of 10 contributing to provident funds)

LXI

- 79-82. The need for nationalising insurance and provident funds is greater among low income employees in shops and establishments than among organised workers in industry and Government service. Even among daily or casual workers and proprietary workers, low income groups should benefit by such nationalisation. Schemes for an all pervading State Life Insurance Corporation and a State Provident Fund Corporation (with subsidised premiums and contributions for low income groups), should be worked out, and public revenues should make up net losses, if any. But the probabilities are that such nationalisation will enable the Government of India to secure several hundreds of crores of rupees in course of time in the shape of earning assets, insurance premiums and provident fund contributions minus payments of claims and working expenses, out of which a good portion should become available for investment in the public sector. The achievements of the Public Branch of the Mysore Government Insurance Department are a clear indication of prospects. Employment potential should substantially increase for helpers, doctors, lecturing and training staff and insurance office employees. If a socialistic pattern of society is to be evolved on a democratic basis, and if Communism is to be precluded, the most potent instrument should be the raising of the general economic condition of low income groups through the nationalisation of insurance and provident funds alongside the abolition of sub-marginal wages, and not American Aid.

ANNEXURE 'A'

THE INDIAN INSTITUTE OF ECONOMICS
HYDERABAD-DN.

*An enquiry into Life Insurance and Provident Fund Problems of Low Income Groups
in Hyderabad-Secunderabad City area. (Shops and Establishments).*

DATA MEMO

Circle No.....

Serial No.

1. Name of the employee
2. Name of the Shop or Establishment or employer.
3. Living House :
 - (i) Owned, rented or rent free
 - (ii) If rented, what is the monthly rent.
4. Number of inmates of the employee's household :
 - (a) Male adults
 - (b) Female adults
 - (c) Children
 - (d) Total.
5. Educational status of the employee
6. Nature of employment : Occupation/Industry.
7. Income :
 - (a) of the employee
 1. From main employment
 2. From subsidiary employment
 3. From other sources
 - (b) Of other members of the household
 - (c) Total income of the household.
8. Assets :
 1. Immovable
 2. Liquid
 3. Insurance cash value

4. Provident Fund Credits
5. Other movable assets
6. Total.

9. Details of insurance and provident fund :

(I) Insurance policies inforce :

- (a) Face value of policies]
- (b) Cash value of policies
- (c) Monthly premium paid
- (d) Premium amount as percent of income.
- (e) Lapses :
 - (i) Face value
 - (ii) Renewable/not renewable
 - (iii) Causes for lapses
- (f) Reasons for not insuring.

(II) Provident Fund :

- (a) Monthly contribution of the employee.
- (b) Rate of interest allowed.
- (c) Present credit in the fund.
- (d) If no provident fund in the shop or establishment would he like to join any provident fund scheme available ?

10. Liabilities :

- (i) Co-operative
- (ii) Commercial banks
- (iii) Insurance Companies
- (iv) Provident Fund
- (v) Private moneylenders
- (vi) Friends and relatives
- (vii) Employers
- (viii) Others
- (ix) Total
- (x) General rate of interest paid
- (xi) Analysis into
 - (a) Short term debt
 - (b) Medium term debt
 - (c) Long term debt

Signature of the Investigator

Signature of the Employee

Date.....

ANNEXURE 'B'

MYSORE GOVERNMENT INSURANCE
DEPARTMENT

Report on the working of the Mysore Government Insurance Department (Life Branch) for the year ended on 31-3-53.

PUBLIC BRANCH

New Business.—During the year under review 8143, proposals for Rs. 110,68,143 were received as against 8467 proposals for 1,21,98,511 of the previous year. Out of these and those pending at the end of previous year, 6,948 proposals resulted into policies assuring a sum of Rs. 94,33,563 with an annual premium income of Rs. 5,72,884-15-0 as against 7762 completed policies for Rs. 1,07,18,420 sum assured with the annual premium income of Rs. 5,76,359-12-0 last year. The remaining proposals were either declined, postponed or accepted on terms which were not agreed to by the proponents or were awaiting completion at the end of the year. The average assurance per Policy was Rs. 1,355 as against Rs. 1,381 in the previous year.

Business in force.—The total number of policies in force at the close of the year was 96,965 assuring Rs. 12,07,22,487 (inclusive of bonuses) as against 1,05,986 policies for Rs. 13,11,04,046 sum assured of last year.

Claims.—During the year claims inclusive of bonus additions amounted to Rs. 4,75,922-8-0 by death, Rs. 16,34,802-12-0 by Maturity, and Rs. 1,63,569-13-9 by Surrender, as against Rs. 4,83,193-11-11, Rs. 13,78,175, Rs. 98,724-0-9 of last year.

Income and outgo.—The income for the year amounted to Rs. 80,82,976-4-7. The outgo amounted to Rs. 48,57,137-13-7 leaving a balance of income of 32,25,838-7-0. Similar figures for the last year were Rs. 75,79,131-13-3, Rs. 40,06,783-14-2 and Rs. 35,72,847-15-1. The expenses of management for the

year amounted to Rs. 9,74,518-7-11 and the expense ratio for the year under review is 16.22 as against 14.88 in the previous year.

Life Assurance Fund.—At the close of the year, the Life Assurance Fund amounted to Rs. 4,96,07,700-12-2 as against Rs. 4,50,91,468-6-7 of last year.

Investments.—The entire cash balance of Rs. 4,18,51,715-13-0 has been invested with the Government of Mysore. The investment during last year was Rs. 3,86,25,877-6-6.

Rate of Interest.—The rate of interest allowed by Government during the year was 4% per annum as in last year.

Income Policy Fund.—During the year under report, one application for the purchase of an immediate annuity was received. The opening balance of the Fund on 1-4-1952 was Rs. 3,63,932-7-11 and interest on balances of the fund amounted to Rs. 22,044-9-11 and payment by way of annuities was Rs. 38,105-9-9 was against 64,980-9-4 of last year. The closing balance at credit of the Fund on 31-3-1953 was Rs. 3,48,609-8-10 as against Rs. 3,63,932-7-11 on 31-3-1952.

(SD.) C. NARASIMHA MOORTHY,
Secretary,
Insurance Department.

MYSORE GOVERNMENT INSURANCE

Balance Sheet

LIABILITIES

Sl. No.	Particulars	Amounts
1.	Balance of Life Assurance Fund as per Revenue account	4,96,07,709 12 2
2.	Claims outstanding :	
	(a) By death	6,24,126 0 11
	(b) By Maturity	8,17,800 6 11
	(c) By Surrender	57,280 4 4
		9,93,656 12 2
3.	(a) Refunds under Table IV	8 6 0
	(b) Miscellaneous	24,300 6 11
		24,393 12 11
4.	Outstanding Expenses.	
	(a) Establishment	42,418 8 8
	(b) Pension	209 4 0
	(c) Contingencies	2,757 8 0
	(d) Audit Fee	1,000 0 0
	(e) Furniture	1,515 15 0
	(f) Printing and Stationery	2,653 2 9
	(g) Rent	1,582 6 0
	(h) Advertisement & Propaganda	878 7 9
	(i) Adrema working expenses	57 4 0
	(j) Valuation Charges	16,500 0 0
	(k) Premium collection charges	3,780 0 0
	(l) Honorarium to Agents	2,74,410 7 6
	(m) Medical Fee	10,330 0 0
	(n) Books & Journals	55 1 4
	(o) T.A. to Officers of the Department	93 4 0
		3,51,810 4 7
5.	Initial Deposit	83,750 6 6
6.	Dead Account	23,603 1 1
7.	Suspense	27,119 13 7
	Total	5,11,88,674 1 0

Examined and found Correct.

(SD.) S.A. GANGADHARA SASTRY.

(SD.) T. RAMAKRISHNANATH,

Auditor,

15th December, 1954.

Secretary,

Insurance Department.

DEPARTMENT, BANGALORE.—(Public Branch).

at 31/3/1953.

ASSETS			
Sl. No.	Particulars		Amounts
1.	Deposited with the Government of Mysore ..		4,18,51,715 13 6
2.	<i>Advances</i>		
	(a) Loans on Policies within their surrender value ..	48,78,559 4 3	
	(b) Special Advance to Agents ..	9,686 8 0	
	(c) Salary of the Cycle-orderly of the Accountant General's Office ..	162 4 0	
			48,88,308 0 3
3.	<i>Premium Outstanding</i>		
	(a) On current Policies ..	31,07,416 9 0	
	(b) In death claims ..	23,508 11 6	
			31,30,925 4 6
4.	Interest outstanding on loans on Policies ..		5,74,774 2 5
5.	Interest due on monthly balance ..		6,65,527 5 4
6.	<i>Adrema</i>		
	Equipment at cost 33,112-2-9 addition during the year ..	33,112 2 9	
	Less depreciation to date at 10% ..	24,632 0 0	
			8,480 2 9
7.	<i>Furniture</i>		
	Purchased to end of 1951-52	62,754 13 0	
	Purchased during 1952-53	11,119 7 3	73,874 4 3
	Less depreciation to date at 10% ..	60,021 0 0	
			13,853 4 3
			5,11,33,674 1 0

(Sd.) C. NARASIMHA MOORTHY,
Secretary, Insurance Department.

ANNEXURE C

Latest details of provident Funds in India.

PROVIDENT FUND ACCUMULATIONS.

New Delhi, February 27 :

An interest rate of $3\frac{1}{2}$ percent, on the provident fund accumulations for 1956-57 under the Employees' Provident Fund Scheme was recommended by the meeting of the Central Board of Trustees here today. Mr. P. M. Menon, I.C.S., Joint Secretary, Ministry of Labour, Government of India, presided.

The meeting also recommended that loans from the fund should be allowed to members in cases of serious sickness and for the marriages of their daughters. The annual report on the working of the Employees' Provident Fund Scheme, and the budget for 1956-57 were also approved by the meeting.

The Employees' Provident Fund Act which came into force in November, 1952, covers nearly 16 lakh employees in 1,950 factories. The Act at present applies only to six major industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. The collections so far made under the Scheme amount to nearly Rs. 55 crores

ANNEXURE D

Low Income Groups and U. S. policy.

*(Page 57-59 of the Economic Report of the President transmitted
to the Congress—1955)*

Augmenting Low Incomes.

A small and shrinking, but still significant, number of American families have cash incomes under 1,000 per family. By current standards, most of them must be considered poverty-stricken. These families are not concentrated in urban centers. They live chiefly on small farms or in rural areas and villages, mainly in the Southern States. Raising the incomes of this group should be one of our continuing objectives.

The causes of low incomes are complex; they include lack of education or skill, poor health, old age, or prolonged unemployment. Solutions must be found through a long-run programme to improve the skill, versatility, and mobility of low income earners, thereby increasing their productive capacity. The elimination of remaining poverty in America would not only bring greater happiness and opportunity to these people; it would draw them into the stream of progress, enlarge the markets for consumer goods, and promote the expansion of the economy. Means of raising low incomes by increasing the productivity of people have been the subject of study this past year by the National Agricultural Advisory Commission and by an inter-agency task force of the Council of Economic Advisers. Studies of this problem are continuing.

Under our system of free labour markets and free collective bargaining, the wages of a preponderant majority of workers are determined fairly without government intervention. Minimum wage laws do not deal with the fundamental causes of low incomes or poverty. However, minimum wage laws can assist, the comparatively small number of workers who are at the fringes of competitive labour markets. The minimum wage under Federal law is now 75 cents an hour a figure that became effective early in 1950. Since then the cost of living and, average hourly earnings have risen, providing reason for an increase in the minimum wage when, as at present, the economic outlook is favourable. An increase to 90 cents an hour would be appropriate and consistent with over-all economic considerations at this time. It is recommended that the Congress increase the minimum wage to 90 cents an hour.

Such action would increase the wages of about 1.3 million workers by an average of about 9 cents an hour. In addition, some workers now earning more than 90 cents an hour would probably receive wages increases to preserve customary differentials. Although these increases would add appreciably to the cost of certain industries, notably in the South, the general expansion of economic activity now under way should increase the demand for their products and lead to economics of operation, besides those stimulated by the higher minimum, thus enabling these industries to absorb a part or all of the wage increase. Nevertheless, 90 cents an hour is the highest minimum wage that can be economically justified in present circumstances. A higher minimum might well cause lower production and substantial unemployment in several industries and—whether directly or indirectly—it would probably bring general higher prices in its wake. Such effects would make the gains of covered workers illusory, and they would lower the standard of living of uncovered low-wage workers,

The coverage of the minimum wage is no less important than its amount. Only about 24 million of the 41 million employees of private firms are now subject to the Federal minimum wage, and an additional 3 1/2 million being covered by the laws of 20 States. As stated in last year's Economic Report: "Neither the Federal nor the State laws now include the lowest-paid workers." It would be well for both the Congress and the State to consider the question of bringing substantial numbers of workers, now excluded from the protection of a minimum wage, under its coverage. To ease the process of adjustment, a gradual approach to this problem will need to be developed.

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1. To conduct post-graduate courses leading to diplomas and doctorates in Economics and special subjects thereunder :

2. To provide facilities for and encourage economic research and investigation on an All-India level generally :

3. To develop a standard library for reference and study in Economics and allied subjects :

4. To study, survey, investigate and report on particular economic problems either on its own initiative or on reference to the Institute by Governments and public bodies :

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6. To publish a Journal including particularly the results of the Institute's activities :

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LIST OF PUBLICATIONS

Sl. No.	Title	Year of Publications	Price I.G. Rs.
(1)	(2)	(3)	(4)
1.	Survey of Housing Conditions of Working Class Families in Hyderabad City.	1951	1 0 0
2.	Survey of Health and Nutrition Conditions among Working Class Families in Hyderabad City.	1951	2 0 0
3.	Intensive Enquiries into Working Class Cost of Living in Hyderabad City.	1951	2 0 0
4.	An Enquiry into the Conditions of the Tenantry in the Agrarian Economy of Hyderabad with special reference to the Hyderabad Tenancy and Agricultural Lands Act of 1950 (Seven Volumes)	1952	each volume 2 0 0 or Rs. 10 per set
5.	Economists at Home and Abroad ..	1953	9 0 0 (\$. 2.00 : 15 sh.)
6.	A Fact Finding Enquiry into the working of the Co-operative Primary Agricultural Credit Societies in the Taluks of Manvi (Raichur District), Banswada (Nizamabad District), and Degloor (Nanded District).	1954	4 0 0 8 shillings U.S. \$ 1.00
7.	Report on an Enquiry into Life Insurance and Provident Fund Problems of Low Income Groups in Hyderabad-Secunderabad City Area (Shops and Establishments).	1956	5 0 0 10 shillings U.S. \$ 1.25

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